April 6, 2016

NYS BROWNFIELD CLEAN-UP PROGRAM APPLICATION

Submitted by: **LPC Development Group LLC**

456 E. 173rd Street

Bronx, NY 10457

(718)299-7000

mprocdia@procidacompanies.com1

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NEW YORK STATE OF OPPORTUNITY | Department of Environmental Conservation

BROWNFIELD CLEANUP PROGRAM (BCP) APPLICATION FORM

DEC requires an application to request major changes to the description of the property set forth in a Brownfield Cleanup Agreement, or "*BCA*" (e.g., adding a significant amount of new property, or adding property that could affect an eligibility determination due to contamination levels or intended land use). Such application must be submitted and processed in the same manner as the original application, including the required public comment period. **Is this an application to amend an existing BCA?**

☐ **Yes** ☑ **No** **If yes, provide existing site number:** C224233

PART A (note: application is separated into Parts A and B for DEC review purposes) ***BCP App Rev 5***

Section I. Requestor Information - See Instructions for Further Guidance

DEC USE ONLY
BCP SITE #:

NAME LPC Development Group LLC

ADDRESS 456 E. 173rd Street

CITY/TOWN Bronx ZIP CODE 10457

PHONE (718)299-7000 x234 | FAX (718)716-9054 | E-MAIL swilliams@procidacompanies.com

Is the requestor authorized to conduct business in New York State (NYS)? ☑ Yes ☐ No

- If the requestor is a Corporation, LLC, LLP or other entity requiring authorization from the NYS Department of State to conduct business in NYS, the requestor's name must appear, exactly as given above, in the NYS Department of State's Corporation & Business Entity Database. A print-out of entity information from the database must be submitted to the New York State Department of Environmental Conservation (DEC) with the application, to document that the requestor is authorized to do business in NYS.

Do all individuals that will be certifying documents meet the requirements detailed below? ☑ Yes ☐ No

- Individuals that will be certifying BCP documents, as well as their employers, meet the requirements of Section 1.5 of *DER-10: Technical Guidance for Site Investigation and Remediation* and Article 145 of New York State Education Law. **Documents that are not properly certified will be not approved under the BCP.**

Section II. Project Description

1. What stage is the project starting at? ☑ Investigation ☐ Remediation

2. If the project is starting at the remediation stage, a Remedial Investigation Report (RIR), Alternatives Analysis, and Remedial Work Plan must be attached (see *DER-10 / Technical Guidance for Site Investigation and Remediation* for further guidance).

3. If a final RIR is included, please verify it meets the requirements of Environmental Conservation Law (ECL) Article 27-1415(2): ☐ Yes ☐ No

4. Please attach a short description of the overall development project, including:

- the date that the remedial program is to start; and
- the date the Certificate of Completion is anticipated.

Section III. Property's Environmental History

All applications **must include** an Investigation Report (per ECL 27-1407(1)). The report must be sufficient to establish contamination of environmental media on the site above applicable Standards, Criteria and Guidance (SCGs) based on the reasonably anticipated use of the property.

To the extent that existing information/studies/reports are available to the requestor, please attach the following (**please submit the information requested in this section in electronic format only**):

1. **Reports:** an example of an Investigation Report is a Phase II Environmental Site Assessment report prepared in accordance with the latest American Society for Testing and Materials standard (ASTM E1903).

2. SAMPLING DATA: INDICATE KNOWN CONTAMINANTS AND THE MEDIA WHICH ARE KNOWN TO HAVE BEEN AFFECTED. LABORATORY REPORTS SHOULD BE REFERENCED AND COPIES INCLUDED.

Contaminant Category	Soil	Groundwater	Soil Gas
Petroleum			
Chlorinated Solvents	X	X	X
Other VOCs	X		
SVOCs	X	X	
Metals	X	X	
Pesticides	X		
PCBs	X		
Other*			

***Please describe:** ______________________________

3. FOR EACH IMPACTED MEDIUM INDICATED ABOVE, INCLUDE A SITE DRAWING INDICATING:

- **SAMPLE LOCATION**
- **DATE OF SAMPLING EVENT**
- **KEY CONTAMINANTS AND CONCENTRATION DETECTED**
- **FOR SOIL, HIGHLIGHT IF ABOVE REASONABLY ANTICIPATED USE**
- **FOR GROUNDWATER, HIGHLIGHT EXCEEDANCES OF 6NYCRR PART 703.5**
- **FOR SOIL GAS/ SOIL VAPOR/ INDOOR AIR, HIGHLIGHT IF ABOVE MITIGATE LEVELS ON THE NEW YORK STATE DEPARTMENT OF HEALTH MATRIX**

THESE DRAWINGS ARE TO BE REPRESENTATIVE OF ALL DATA BEING RELIED UPON TO MAKE THE CASE THAT THE SITE IS IN NEED OF REMEDIATION UNDER THE BCP. DRAWINGS SHOULD NOT BE BIGGER THAN 11" X 17". THESE DRAWINGS SHOULD BE PREPARED IN ACCORDANCE WITH ANY GUIDANCE PROVIDED.

ARE THE REQUIRED MAPS INCLUDED WITH THE APPLICATION?*
(*answering No will result in an incomplete application) ☑ **Yes** ☐ **No**

4. INDICATE PAST LAND USES (CHECK ALL THAT APPLY):

☐ Coal Gas Manufacturing ☐ Manufacturing ☐ Agricultural Co-op ☐ Dry Cleaner
☐ Salvage Yard ☐ Bulk Plant ☐ Pipeline ☑ Service Station
☐ Landfill ☐ Tannery ☐ Electroplating ☐ Unknown

Other: ______________________________

Section IV. Property Information - See Instructions for Further Guidance

PROPOSED SITE NAME Williamsburg Bridgeview Apartments

ADDRESS/LOCATION 105 S. 5th Street

CITY/TOWN Brooklyn ZIP CODE 11249

MUNICIPALITY(IF MORE THAN ONE, LIST ALL):

New York City

COUNTY Kings County SITE SIZE (ACRES) .366 acres

LATITUDE (degrees/minutes/seconds) 40 ° 42 ' 43 "

LONGITUDE (degrees/minutes/seconds) 73 ° 57 ' 52 "

COMPLETE TAX MAP INFORMATION FOR ALL TAX PARCELS INCLUDED WITHIN THE PROPERTY BOUNDARIES. ATTACH REQUIRED MAPS PER THE APPLICATION INSTRUCTIONS.

Parcel Address	Section No.	Block No.	Lot No.	Acreage
105 S. 5th Street		2443	6	.366

1. Do the proposed site boundaries correspond to tax map metes and bounds? ☑ Yes ☐ No
   If no, please attach a metes and bounds description of the property.

2. Is the required property map attached to the application? ☑ Yes ☐ No
   (application will not be processed without map)

3. Is the property within a designated Environmental Zone (En-zone) pursuant to Tax Law 21(b)(6)?
   (See DEC's website for more information) Yes ☐ No ☑

   If yes, identify census tract : ____________________

   Percentage of property in En-zone (check one): ☐ 0-49% ☐ 50-99% ☐ 100%

4. Is this application one of multiple applications for a large development project, where the development project spans more than 25 acres (see additional criteria in BCP application instructions)? ☐ Yes ☑ No

   If yes, identify name of properties (and site numbers if available) in related BCP applications:____________________

5. Is the contamination from groundwater or soil vapor solely emanating from property other than the site subject to the present application? ☐ Yes ☑ No

6. Has the property previously been remediated pursuant to Titles 9, 13, or 14 of ECL Article 27, Title 5 of ECL Article 56, or Article 12 of Navigation Law? ☐ Yes ☑ No
   If yes, attach relevant supporting documentation.

7. Are there any lands under water? ☐ Yes ☑ No
   If yes, these lands should be clearly delineated on the site map.

Section IV. Property Information (continued)

8. Are there any easements or existing rights of way that would preclude remediation in these areas? If yes, identify here and attach appropriate information. ☐ Yes ☑ No

Easement/Right-of-way Holder	Description

9. List of Permits issued by the DEC or USEPA Relating to the Proposed Site (type here or attach information)

Type	Issuing Agency	Description
NONE		

10. Property Description and Environmental Assessment – **please refer to application instructions for the proper format of <u>each</u> narrative requested.**

    Are the Property Description and Environmental Assessment narratives included in the **prescribed format**? ☑ Yes ☐ No

11. For sites located within the five counties comprising New York City, is the requestor seeking a determination that the site is eligible for tangible property tax credits? If yes, requestor must answer questions on the supplement at the end of this form. ☑ Yes ☐ No

12. Is the Requestor now, or will the Requestor in the future, seek a determination that the property is Upside Down? ☐ Yes ☑ No

13. If you have answered *Yes* to Question 12, above, is an independent appraisal of the value of the property, as of the date of application, prepared under the hypothetical condition that the property is not contaminated, included with the application? ☐ Yes ☐ No

If this determination is not being requested in the application to participate in the BCP, the applicant may seek this determination at any time before issuance of a certificate of completion, using the BCP Amendment Application, except for sites seeking eligibility under the underutilized category.

If any changes to Section IV are required prior to application approval, a new page, initialed by each requestor, must be submitted.

Initials of each Requestor: W ______ ______ ______ ______ ______

BCP application - PART B (note: application is separated into Parts A and B for DEC review purposes)

Section V. Additional Requestor Information
See Instructions for Further Guidance

DEC USE ONLY
BCP SITE NAME: ____________
BCP SITE #: ____________

NAME OF REQUESTOR'S AUTHORIZED REPRESENTATIVE Mario Procida

ADDRESS 456 E. 173rd Street

CITY/TOWN Bronx ZIP CODE 10457

PHONE (718)299-7000 x234	FAX (718)716-9054	E-MAIL swilliams@procidacompanies.com

NAME OF REQUESTOR'S CONSULTANT Equity Environmental Engineering Inc. (Robert Jackson)

ADDRESS 500 International Drive, Suite 150

CITY/TOWN Mt. Olive, New Jersey ZIP CODE 07828

PHONE (973)527-7451 x103	FAX (973)858-0280	E-MAIL Bob.jackson@equityenvironmental.com

NAME OF REQUESTOR'S ATTORNEY Goldstein Hall PLLC (David Goldstein)

ADDRESS 80 Broad Street, Suite 303

CITY/TOWN New York ZIP CODE 10004

PHONE (646)768-4101	FAX (646)219-2450	E-MAIL dgoldstein@goldsteinhall.com

Section VI. Current Property Owner/Operator Information – if not a Requestor

CURRENT OWNER'S NAME The City of New York OWNERSHIP START DATE:

ADDRESS 100 Gold Street

CITY/TOWN New York ZIP CODE 10038

PHONE (212)863-7321	FAX	E-MAIL Masonch@hpd.nyc.gov

CURRENT OPERATOR'S NAME

ADDRESS

CITY/TOWN ZIP CODE

PHONE	FAX	E-MAIL

IF REQUESTOR IS NOT THE CURRENT OWNER, DESCRIBE REQUESTOR'S RELATIONSHIP TO THE CURRENT OWNER, INCLUDING ANY RELATIONSHIP BETWEEN REQUESTOR'S CORPORATE MEMBERS AND THE CURRENT OWNER.
PROVIDE A LIST OF PREVIOUS PROPERTY OWNERS AND OPERATORS WITH NAMES, LAST KNOWN ADDRESSES AND TELEPHONE NUMBERS AS AN ATTACHMENT. DESCRIBE REQUESTOR'S RELATIONSHIP, TO EACH PREVIOUS OWNER AND OPERATOR, INCLUDING ANY RELATIONSHIP BETWEEN REQUESTOR'S CORPORATE MEMBERS AND PREVIOUS OWNER AND OPERATOR. IF NO RELATIONSHIP, PUT "NONE".

Section VII. Requestor Eligibility Information (Please refer to ECL § 27-1407)

If answering "yes" to any of the following questions, please provide an explanation as an attachment.

1. Are any enforcement actions pending against the requestor regarding this site? ☐ Yes ☑ No
2. Is the requestor subject to an existing order for the investigation, removal or remediation of contamination at the site? ☐ Yes ☑ No
3. Is the requestor subject to an outstanding claim by the Spill Fund for this site? Any questions regarding whether a party is subject to a spill claim should be discussed with the Spill Fund Administrator. ☐ Yes ☑ No

Section VII. Requestor Eligibility Information (continued)

4. Has the requestor been determined in an administrative, civil or criminal proceeding to be in violation of i) any provision of the ECL Article 27; ii) any order or determination; iii) any regulation implementing Title 14; or iv) any similar statute, regulation of the state or federal government? If so, provide an explanation on a separate attachment. ☐ Yes ☑ No
5. Has the requestor previously been denied entry to the BCP? If so, include information relative to the application, such as name, address, DEC assigned site number, the reason for denial, and other relevant information. ☐ Yes ☑ No
6. Has the requestor been found in a civil proceeding to have committed a negligent or intentionally tortious act involving the handling, storing, treating, disposing or transporting of contaminants? ☐ Yes ☑ No
7. Has the requestor been convicted of a criminal offense i) involving the handling, storing, treating, disposing or transporting of contaminants; or ii) that involves a violent felony, fraud, bribery, perjury, theft, or offense against public administration (as that term is used in Article 195 of the Penal Law) under federal law or the laws of any state? ☐ Yes ☑ No
8. Has the requestor knowingly falsified statements or concealed material facts in any matter within the jurisdiction of DEC, or submitted a false statement or made use of or made a false statement in connection with any document or application submitted to DEC? ☐ Yes ☑ No
9. Is the requestor an individual or entity of the type set forth in ECL 27-1407.9 (f) that committed an act or failed to act, and such act or failure to act could be the basis for denial of a BCP application? ☐ Yes ☑ No
10. Was the requestor's participation in any remedial program under DEC's oversight terminated by DEC or by a court for failure to substantially comply with an agreement or order? ☐ Yes ☑ No
11. Are there any unregistered bulk storage tanks on-site? ☐ Yes ☑ No

THE REQUESTOR MUST CERTIFY THAT HE/SHE IS EITHER A PARTICIPANT OR VOLUNTEER IN ACCORDANCE WITH ECL 27-1405 (1) BY CHECKING ONE OF THE BOXES BELOW:

☐ PARTICIPANT	☑ VOLUNTEER
A requestor who either 1) was the owner of the site at the time of the disposal of hazardous waste or discharge of petroleum or 2) is otherwise a person responsible for the contamination, unless the liability arises solely as a result of ownership, operation of, or involvement with the site subsequent to the disposal of hazardous waste or discharge of petroleum.	A requestor other than a participant, including a requestor whose liability arises solely as a result of ownership, operation of or involvement with the site subsequent to the disposal of hazardous waste or discharge of petroleum. NOTE: By checking this box, a requestor whose liability arises solely as a result of ownership, operation of or involvement with the site certifies that he/she has exercised appropriate care with respect to the hazardous waste found at the facility by taking reasonable steps to: i) stop any continuing discharge; ii) prevent any threatened future release; iii) prevent or limit human, environmental, or natural resource exposure to any previously released hazardous waste. **If a requestor whose liability arises solely as a result of ownership, operation of or involvement with the site, submit a statement describing why you should be considered a volunteer – be specific as to the appropriate care taken.**

Section VII. Requestor Eligibility Information (continued)

Requestor Relationship to Property (check one):
☐ Previous Owner ☐ Current Owner ☑ Potential /Future Purchaser ☐ Other________________

If requestor is not the current site owner, **proof of site access sufficient to complete the remediation must be submitted**. Proof must show that the requestor will have access to the property before signing the BCA and throughout the BCP project, including the ability to place an easement on the site Is this proof attached?

☑ Yes ☐ No

Note: a purchase contract does not suffice as proof of access.

Section VIII. Property Eligibility Information - See Instructions for Further Guidance

1. Is / was the property, or any portion of the property, listed on the National Priorities List? If yes, please provide relevant information as an attachment. ☐ Yes ☑ No
2. Is / was the property, or any portion of the property, listed on the NYS Registry of Inactive Hazardous Waste Disposal Sites pursuant to ECL 27-1305? ☐ Yes ☑ No
   If yes, please provide: Site #________________ Class # ______________
3. Is / was the property subject to a permit under ECL Article 27, Title 9, other than an Interim Status facility? ☐ Yes ☑ No
   If yes, please provide: Permit type:________________ EPA ID Number:____________
   Date permit issued:____________ Permit expiration date:___________
4. If the answer to question 2 or 3 above is yes, is the site owned by a volunteer as defined under ECL 27-1405(1)(b), or under contract to be transferred to a volunteer? Attach any information available to the requestor related to previous owners or operators of the facility or property and their financial viability, including any bankruptcy filing and corporate dissolution documentation. ☐ Yes ☑ No
5. Is the property subject to a cleanup order under Navigation Law Article 12 or ECL Article 17 Title 10? If yes, please provide: Order #________________ ☐ Yes ☑ No
6. Is the property subject to a state or federal enforcement action related to hazardous waste or petroleum? If yes, please provide explanation as an attachment. ☐ Yes ☑ No

Section IX. Contact List Information

To be considered complete, the application must include the Brownfield Site Contact List in accordance with *DER-23 / Citizen Participation Handbook for Remedial Programs*. Please attach, at a minimum, the names and addresses of the following:

1. The chief executive officer and planning board chairperson of each county, city, town and village in which the property is located.
2. Residents, owners, and occupants of the property and properties adjacent to the property.
3. Local news media from which the community typically obtains information.
4. The public water supplier which services the area in which the property is located.
5. Any person who has requested to be placed on the contact list.
6. The administrator of any school or day care facility located on or near the property.
7. The location of a document repository for the project (e.g., local library). In addition, attach a copy of an acknowledgement from the repository indicating that it agrees to act as the document repository for the property.
8. Any community board located in a city with a population of one million or more, if the proposed site is located within such community board's boundaries.

Section X. Land Use Factors	
1. What is the current zoning for the site? What uses are allowed by the current zoning? ☑ Residential ☑ Commercial ☐ Industrial If zoning change is imminent, please provide documentation from the appropriate zoning authority.	
2. Current Use: ☐Residential ☐Commercial ☐Industrial ☑Vacant ☐Recreational (check all that apply) **Attach a summary of current business operations or uses, with an emphasis on identifying possible contaminant source areas. If operations or uses have ceased, provide the date.**	
3. Reasonably anticipated use Post Remediation: ☑Residential ☑Commercial ☐Industrial (check all that apply) **Attach a statement detailing the specific proposed use.** If residential, does it qualify as single family housing?	☐Yes ☑No
4. Do current historical and/or recent development patterns support the proposed use?	☑Yes ☐No
5. Is the proposed use consistent with applicable zoning laws/maps? Briefly explain below, or attach additional information and documentation if necessary.	☑Yes ☐No
6. Is the proposed use consistent with applicable comprehensive community master plans, local waterfront revitalization plans, or other adopted land use plans? Briefly explain below, or attach additional information and documentation if necessary.	☑Yes ☐No

XI. Statement of Certification and Signatures

(By requestor who is an individual)

If this application is approved, I acknowledge and agree to execute a Brownfield Cleanup Agreement (BCA) within 60 days of the date of DEC's approval letter. I hereby affirm that information provided on this form and its attachments is true and complete to the best of my knowledge and belief. I am aware that any false statement made herein is punishable as a Class A misdemeanor pursuant to section 210.45 of the Penal Law.

Date: ________________ Signature: ____

Print Name: ____

(By a requestor other than an individual)

I hereby affirm that I am Manager (title) of LPC Development Group LLC (entity); that I am authorized by that entity to make this application and execute the Brownfield Cleanup Agreement (BCA) and all subsequent amendments; that this application was prepared by me or under my supervision and direction. If this application is approved, I acknowledge and agree to execute a BCA within 60 days of the date of DEC's approval letter. I hereby affirm that information provided on this form and its attachments is true and complete to the best of my knowledge and belief. I am aware that any false statement made herein is punishable as a Class A misdemeanor pursuant to Section 210.45 of the Penal Law.

Date: 4/9/16 Signature: ____

Print Name: Mario Procida

SUBMITTAL INFORMATION:

- **Two (2)** copies, one paper copy with original signatures and one electronic copy in Portable Document Format (PDF), must be sent to:
  - Chief, Site Control Section
  - New York State Department of Environmental Conservation
  - Division of Environmental Remediation
  - 625 Broadway
  - Albany, NY 12233-7020

FOR DEC USE ONLY
BCP SITE T&A CODE: ____________________ **LEAD OFFICE:** ____________________________

Supplemental Questions for Sites Seeking Tangible Property Credits in New York City ONLY. Sufficient information to demonstrate that the site meets one or more of the criteria identified in ECL 27 1407(1-a) must be submitted if requestor is seeking this determination.

BCP App Rev 5

Property is in Bronx, Kings, New York, Queens, or Richmond counties.	☑ Yes ☐ No
Requestor seeks a determination that the site is eligible for the tangible property credit component of the brownfield redevelopment tax credit.	☑ Yes ☐ No
Please answer questions below and provide documentation necessary to support answers.	
1. Is at least 50% of the site area located within an environmental zone pursuant to NYS Tax Law 21(b)(6)? Please see DEC's website for more information.	☑ Yes ☐ No
2. Is the property upside down or underutilized as defined below?	**Upside Down?** ☐ Yes ☑ No **Underutilized?** ☑ Yes ☐ No

From ECL 27-1405(31):

"Upside down" shall mean a property where the projected and incurred cost of the investigation and remediation which is protective for the anticipated use of the property equals or exceeds seventy-five percent of its independent appraised value, as of the date of submission of the application for participation in the brownfield cleanup program, developed under the hypothetical condition that the property is not contaminated.

From 6 NYCRR 375-3.2(l) as of July 1, 2015: (Please note: Eligibility determination for the underutilized category can only be made at the time of application)

(l) "Underutilized" means, as of the date of application, real property:

(1) on which a building or buildings, can be certified by the municipality in which the site is located, to have for at least five years used no more than fifty percent of the permissible floor area under the applicable base zoning immediately prior to the application which has been in effect for at least five years;

(2) at which the proposed development is solely for a use other than residential or restricted residential;

(3) which could not be developed without substantial government assistance, as certified by the municipality in which the site is located; and

(4) which is subject to one or more of the following conditions, as certified by the municipal department responsible for such determinations of the municipality in which the site is located:

(i) property tax payments have been in arrears for at least five years immediately prior to the application;

(ii) contains a building that is presently condemned, or presently exhibits documented structural deficiencies, as certified by a professional engineer, which present a public health or safety hazard; or

(iii) the proposed use is in whole or in substantial part for industrial uses.

"Substantial government assistance" shall mean a substantial loan, grant, land purchase subsidy, or land purchase cost exemption or waiver, from a governmental entity; or for properties to be developed in whole or in part for industrial uses, a substantial loan, grant, land purchase subsidy, land purchase cost exemption or waiver, or a tax credit, from a governmental entity, or a low-cost loan from an industrial fund managed by the municipality and partner financial institutions.

Supplemental Questions for Sites Seeking Tangible Property Credits in New York City (continued)

3. Is the project an affordable housing project as defined below? ☑ Yes ☐ No

From 6 NYCRR 375- 3.2(a) as of July 1, 2015:

(a) "Affordable housing project" means, for purposes of this part, title fourteen of article twenty seven of the environmental conservation law and section twenty-one of the tax law only, a project that is developed for residential use or mixed residential use that must include affordable residential rental units and/or affordable home ownership units.

(1) Affordable residential rental projects under this subdivision must be subject to a federal, state, or local government housing agency's affordable housing program, or a local government's regulatory agreement or legally binding restriction, that defines (i) a percentage of the residential rental units in the affordable housing project to be dedicated to (ii) tenants at a defined maximum percentage of the area median income based on the occupants' households annual gross income.

(2) Affordable home ownership projects under this subdivision must be subject to a federal, state, or local government housing agency's affordable housing program, or a local government's regulatory agreement or legally binding restriction, that sets affordable units aside for tenants at a defined maximum percentage of the area median income.

(3) "Area median income" means, for purposes of this subdivision, the area median income for the primary metropolitan statistical area, or for the county if located outside a metropolitan statistical area, as determined by the United States department of housing and urban development, or its successor, for a family of four, as adjusted for family size.

BCP Application Summary (for DEC use only)

Site Name: Williamsburg Bridgeview Apartments **Site Address:** 105 S. 5th Street
City: Brooklyn **County:** Kings County **Zip:** 11249

Tax Block & Lot
Section (if applicable): **Block:** 2443 **Lot:** 6

Requestor Name: LPC Development Group LLC **Requestor Address:** 456 E. 173rd Street
City: Bronx **Zip:** 10457 **Email:** swilliams@procidacompanies.com

Requestor's Representative (for billing purposes)
Name: Mario Procida **Address:** 456 E. 173rd Street
City: Bronx **Zip:** 10457 **Email:** swilliams@procidacompanies.com

Requestor's Attorney
Name: Goldstein Hall PLLC (David Goldstein) **Address:** 80 Broad Street, Suite 303
City: New York **Zip:** 10004 **Email:** dgoldstein@goldsteinhall.com

Requestor's Consultant
Name: Equity Environmental Engineering Inc. (Robert Jackson) **Address:** 500 International Drive, Suite 150
City: Mt. Olive, New Jersey **Zip:** 07828 **Email:** Bob.jackson@equityenvironmental.com

Percentage of site within an En-Zone: ☑ **0%** ☐ **<50%** ☐ **50-99%** ☐ **100%**

Requestor's Requested Status: ☑ **Volunteer** ☐ **Participant**

NYS CORPORATE DOCUMENTS AND ORGANIZATIONAL CHART

N. Y. S. DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS — ALBANY, NY 12231-0001

FILING RECEIPT

==

ENTITY NAME: LPC DEVELOPMENT GROUP LLC

DOCUMENT TYPE: ARTICLES OF ORGANIZATION (DOM LLC) — COUNTY: BRON

==

FILED:02/02/2015 DURATION:********* CASH#:150202000329 FILM #:150202000285
DOS ID:4703647

FILER:

GOLDSTEIN HALL PLLC
80 BROAD STREET SUITE 303

NEW YORK, NY 10004

EXIST DATE

02/02/2015

ADDRESS FOR PROCESS:

THE LLC
C/O PROCIDA COMPANIES — 456 EAST 173ST STREET
BRONX, NY 10457

REGISTERED AGENT:

The limited liability company is required to file a Biennial Statement with the Department of State every two years pursuant to Limited Liability Company Law Section 301. Notification that the biennial statement is due will only be made via email. Please go to www.email.ebiennial.dos.ny.gov to provide an email address to receive an email notification when the Biennial Statement is due.

==

SERVICE COMPANY: UNITED CORPORATE SERVICES - 37 — SERVICE CODE: 37 *

FEES	235.00	PAYMENTS	235.00
FILING	200.00	CASH	0.00
TAX	0.00	CHECK	0.00
CERT	0.00	CHARGE	0.00
COPIES	10.00	DRAWDOWN	235.00
HANDLING	25.00	OPAL	0.00
		REFUND	0.00

==

DOS-1025 (04/2007)

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

WITNESS my hand and official seal of the Department of State, at the City of Albany, on February 3, 2015.

Anthony Giardina
Executive Deputy Secretary of State

Rev. 06/13

150202000285

ARTICLES OF ORGANIZATION

OF

LPC Development Group LLC

Under Section 203 of the Limited Liability
Company Law of the State of New York

The undersigned, being a natural person of at least eighteen (18) years of age and acting as the organizer of the limited liability company hereby being formed under Section 203 of the Limited Liability Company Law of the State of New York (the "LLCL"), certifies that:

FIRST: The name of the company is LPC Development Group LLC (the "Company").

SECOND: The purpose of the Company is to engage in any lawful act or activity for which limited liability companies may be organized under the LLCL.

THIRD: The County within the State of New York in which the office of the Company is to be located is Bronx County.

FOURTH: The Secretary of State is designated as the agent of the Company upon whom process against the Company may be served. The post office address within or without the State of New York to which the Secretary of State shall mail a copy of any process against the Company served upon such Secretary of State is: LPC Development Group LLC, c/o Procida Companies, 456 East 173rd Street, Bronx, New York 10457.

FIFTH: The Company is to be managed by one or more members.

SIXTH: The Company shall have the power to indemnify, to the full extent permitted by the LLCL, as amended from time to time, all persons whom it is permitted to indemnify pursuant thereto.

IN WITNESS WHEREOF, I have subscribed this certificate and do hereby affirm the foregoing as true under penalties of perjury, this 30th day of January, 2015.

Hirsch L. Neustein, Organizer
Goldstein Hall PLLC
80 Broad Street, Suite 303
New York, New York 10004

UNI-37

285

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED FEB 02 2015
TAX $ 0
BY:

ARTICLES OF ORGANIZATION

OF

LPC Development Group LLC

Under and Pursuant to Section 203 of the Limited Liability Company Law
of the State of New York

RECEIVED
2015 FEB -2 PM 12: 13

FILED
2015 FEB -2 PM 3: 43

Goldstein Hall PLLC
80 Broad Street, Suite 303
New York, New York 10004

Customer Reference #

329

DRAWDOWN

NYS Department of State

Division of Corporations

Entity Information

The information contained in this database is current through December 2, 2015.

Selected Entity Name: LPC DEVELOPMENT GROUP LLC
Selected Entity Status Information

Current Entity Name:	LPC DEVELOPMENT GROUP LLC
DOS ID #:	4703647
Initial DOS Filing Date:	FEBRUARY 02, 2015
County:	BRONX
Jurisdiction:	NEW YORK
Entity Type:	DOMESTIC LIMITED LIABILITY COMPANY
Current Entity Status:	ACTIVE

Selected Entity Address Information

DOS Process (Address to which DOS will mail process if accepted on behalf of the entity)

LPC DEVELOPMENT GROUP LLC
C/O PROCIDA COMPANIES
456 EAST 173RD STREET
BRONX, NEW YORK, 10457

Registered Agent

NONE

This office does not require or maintain information regarding the names and addresses of members or managers of nonprofessional limited liability companies. Professional limited liability companies must include the name(s) and address (es) of the original members, however this

information is not recorded and only available by
viewing the certificate.

***Stock Information**

# of Shares	Type of Stock	$ Value per Share
No Information Available		

*Stock information is applicable to domestic business corporations.

Name History

Filing Date	Name Type	Entity Name
FEB 02, 2015	Actual	LPC DEVELOPMENT GROUP LLC

A **Fictitious** name must be used when the **Actual** name of a foreign entity is unavailable for use in New York State. The entity must use the fictitious name when conducting its activities or business in New York State.

NOTE: New York State does not issue organizational identification numbers.

Search Results New Search

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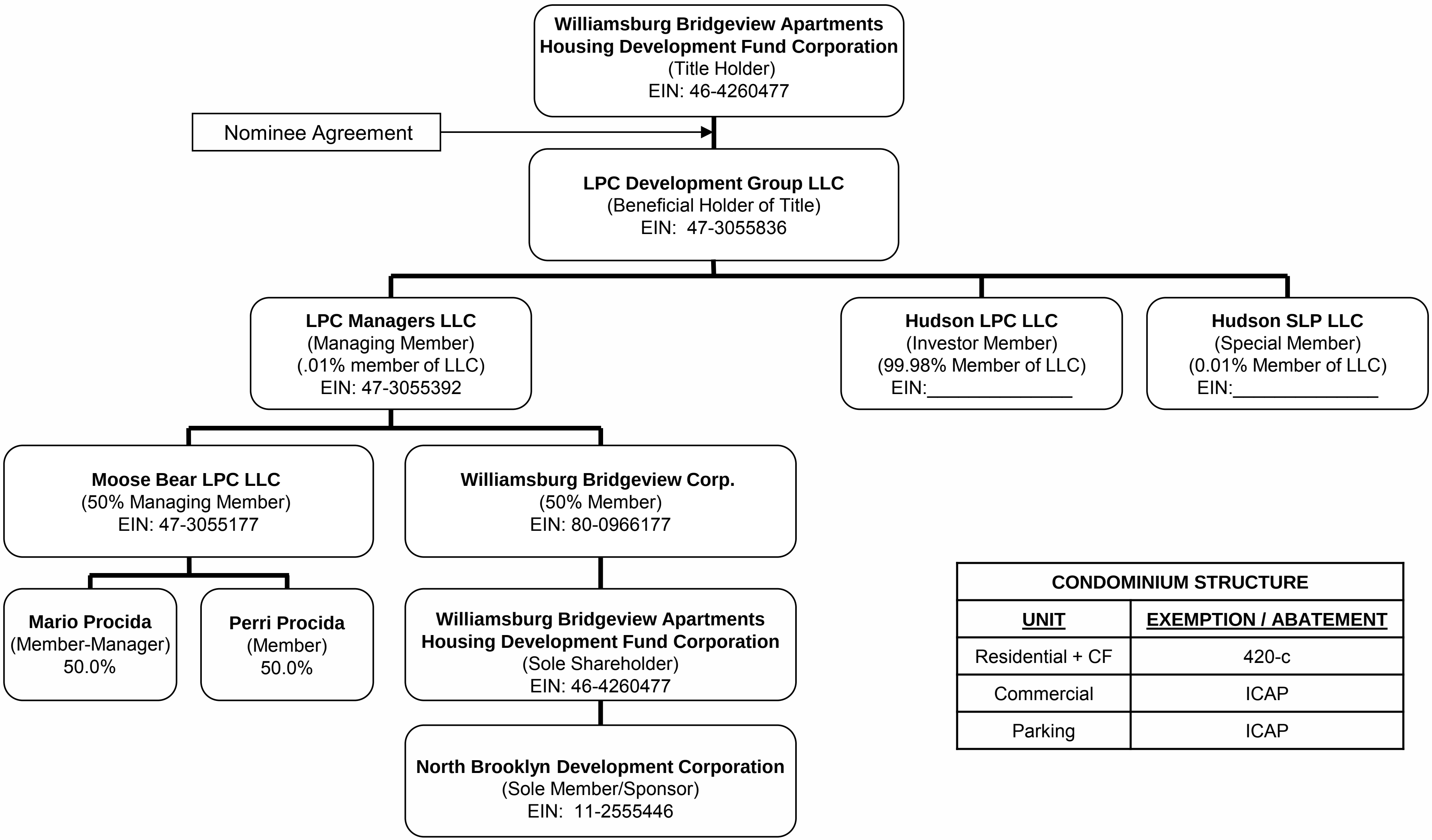
PROCIDA: Williamsburg Bridgeview Apartments



CONDOMINIUM STRUCTURE	
UNIT	**EXEMPTION / ABATEMENT**
Residential + CF	420-c
Commercial	ICAP
Parking	ICAP

Goldstein Hall PLLC, 80 Broad Street, Suite 303, New York, NY 10004
O 646.768.4100 F 646.219.2450 E info@goldsteinhall.com W www.goldsteinhall.com

Revised: 4/6/2016

Applicant: LPC Development Group LLC
Address: 105 S. 5th Street, Brooklyn, NY 11249
Date: April 6, 2016
Section: I, Part A

Requestor Information: Ownership Structure

The Requestor, LPC Development Group LLC is owned by LPC Managers LLC (0.01%), Hudson LPC LLC (99.98%) and Hudson SLP LLC (0.01%).

Both the Hudson LPC LLC and Hudson SLP LLC entities are managed by Hudson Housing Capital LLC, the tax credit syndicator for this affordable housing project.

LPC Managers LLC is the managing entity that will manage the affordable housing project once construction is complete.

Please note this is the typical structure used in New York City for these types of affordable housing projects sponsored by the City of New York. I have enclosed a revised organizational chart for your convenience.

PROJECT DESCRIPTION

Applicant: LPC Development Group LLC
Address: 105 S. 5th Street, Brooklyn, NY 11249
Date: January 20, 2016
Section: II, 4

PROJECT DESCRIPTION

The project sponsor is seeking construction financing from the City of New York Department of Housing Preservation & Development (HPD) to facilitate the development of a mixed use commercial and affordable residential housing building on three adjacent and currently vacant, City owned properties (the "project site") in North Side – South Side neighborhood of the Brooklyn, Community District 1. HPD has received and will receive disposition approval from the project site from the City Council. The project site would be conveyed to the project sponsor at closing.

The project site is located at 99-101 South 5th Street aka 337 Berry Street (Block 2443; Lots 6, 37 & 41). The proposed project involves the demolition of an existing building and new construction of one 11-story building with a height 120' above ground level. In total, the planned development consists of a new 64,333 square foot building, including residential, retail, a roof garden for residents and a community facility. The project will be 100% affordable residential housing for families making no more than 60% of the area median income. The 55 apartments units will consist of (12) Studios, (15) 1BR's, (27) 2 BR's and (1) 3 BR. The ground floor will include frontage on South 5th Street with 4,221 square foot of retail space and a 1,139 square foot community facility. Areas of the property not improved by the building will be improved either with a paved, 14 space parking lot or landscaping.

The proposed development would help to address the continuing need for affordable housing in New York City. The Remedial Action Program would likely start in April or May of 2016 and the Certificate of Completion is anticipated October or November 2017.

SECTION III – AMENDED SAMPLING SITE MAPS

SAMPLE ID:	SB-1 (0-2')	SB-1 (2'-4')
SAMPLE DATE:	10/27/2015	10/27/2015
Metals in Soil (mg/kg)		
Mercury	0.97	0.42

SAMPLE ID:	SB-5 (0'-2')	SB-5 (12'-14')
SAMPLE DATE:	10/27/2015	10/27/2015
SVOCs in Soil (mg/kg)		
Benzaldehyde	1.39	NE
Benzo(a)anthracene	1.25	NE
Benzo(a)pyrene	1.62	NE
Chrysene	1.31	NE
Indeno(1,2,3-cd)pyrene	0.957	NE

SAMPLE ID:	SB-7 (0'-2')	SB-7 (12'-14')
SAMPLE DATE:	10/27/2015	10/27/2015
SVOCs in Soil (mg/kg)		
Benzaldehyde	1.15	NE
Benzo(a)anthracene	1.08	NE
Benzo(a)pyrene	1.39	NE
Chrysene	1.15	NE
Indeno(1,2,3-cd)pyrene	0.817	NE

Note: Concentrations of Contaminants Above the Restricted Resedential Use Criteria

Legend

Property Boundary

Installed Soil Boring (SB)

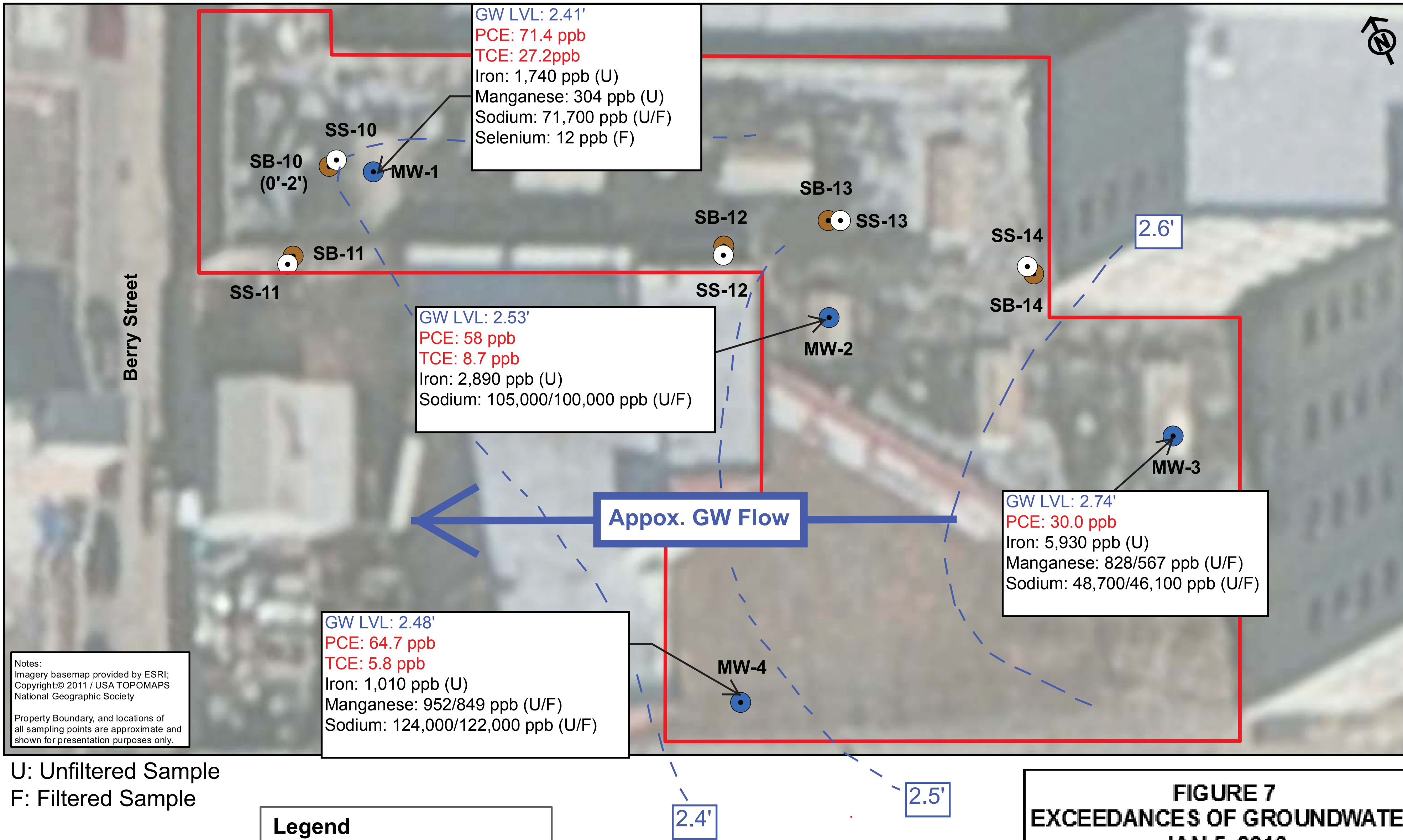
NE Not Exceeding Criteria

FIGURE 6
EXCEEDANCES OF SOIL
OCT 27, 2015

337 Berry St. & 99-105 South 5th St.
(Block 2443 / Lot 6, 37, 41)
Brooklyn, New York

equity environmental engineering
500 International Drive, Suite 150, Mount Olive, NJ 07828
Office: (973) 527-7451 / Fax: (973) 858-0280

DRAWN BY / DATE	REV / DATE	DRAWING NUMBER
FU / 02.25.2015	BJ / 02.25.2015	2015059-06



U: Unfiltered Sample
F: Filtered Sample

Legend

- Property Boundary
- Soil Vapor Sample Point (SS)
- Soil Boring
- Groundwater Monitoring Well

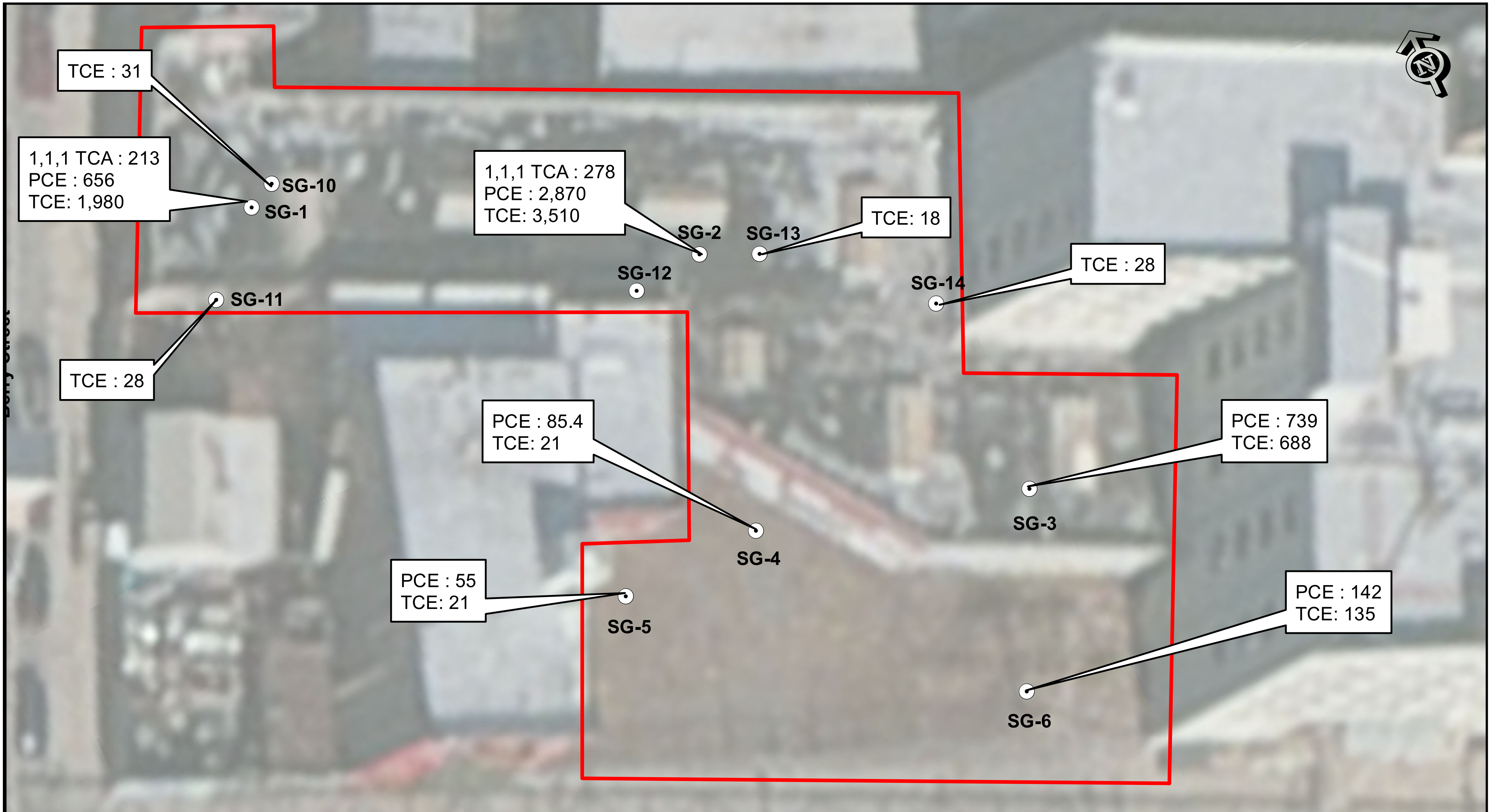
Note: Concentrations of Contaminants Above the GA Groundwater Standards

FIGURE 7
EXCEEDANCES OF GROUNDWATER
JAN 5, 2016

337 Berry St. & 99-105 South 5th St.
(Block 2443 / Lot 6, 37, 41)
Brooklyn, New York

equity environmental engineering
500 International Drive, Suite 150, Mount Olive, NJ 07828
Office: (973) 527-7451 / Fax: (973) 858-0280

DRAWN BY / DATE	REV / DATE	DRAWING NUMBER
FU/02-25-2015	BJ/02-25-2015	2015059-07



Notes:
Imagery basemap provided by ESRI; Copyright:© 2011 / USA TOPOMAPS; National Geographic Society

Property Boundary, and locations of all sampling points are approximate and shown for presentation purposes only.

0 5 10 20 30 40 Feet
1 inch = 35 feet

Legend

Property Boundary

Soil Vapor Sample Results (ug/m^3)

1,1,1 TCA Trichloroethane (100.0 ug/m^3)

TCE Trichloroethylene (2.0 ug/m^3)

PCE Tetrachloroethylene (30.0 ug/m^3)

Note: Criteria Determined by MOER

FIGURE 8
EXCEEDANCES OF SOIL VAPOR OCT 28, 2015 & DEC 17, 2015

337 Berry St. & 99-105 South 5th St.
(Block 2443 / Lot 6, 37, 41)
Brooklyn, New York

equity environmental engineering
500 International Drive, Suite 150, Mount Olive, NJ 07828
Office: (973) 527-7451 / Fax: (973) 858-0280

DRAWN BY / DATE	REV / DATE	DRAWING NUMBER
FRU / 04062016		2015059-08

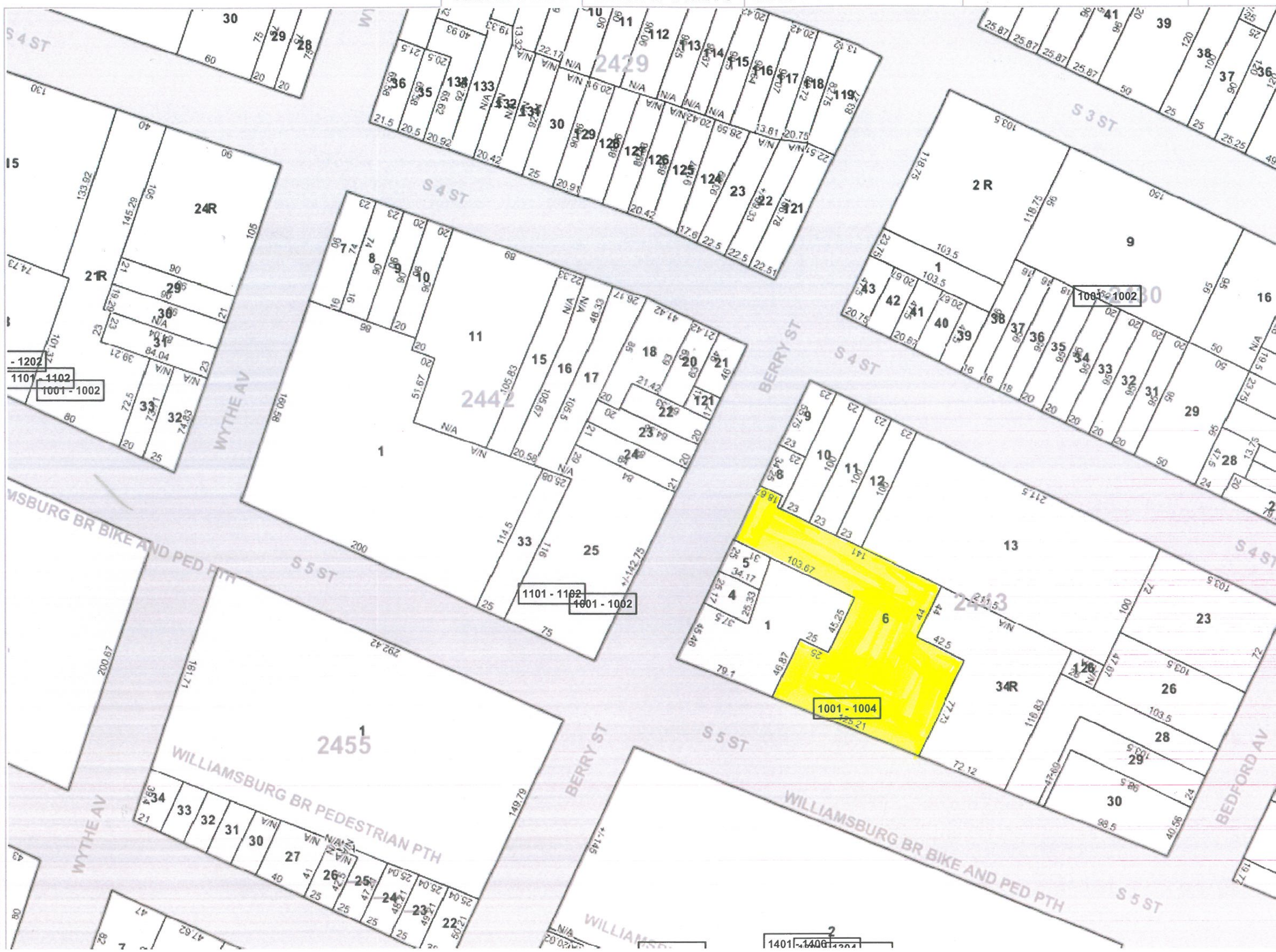
TAX MAPS

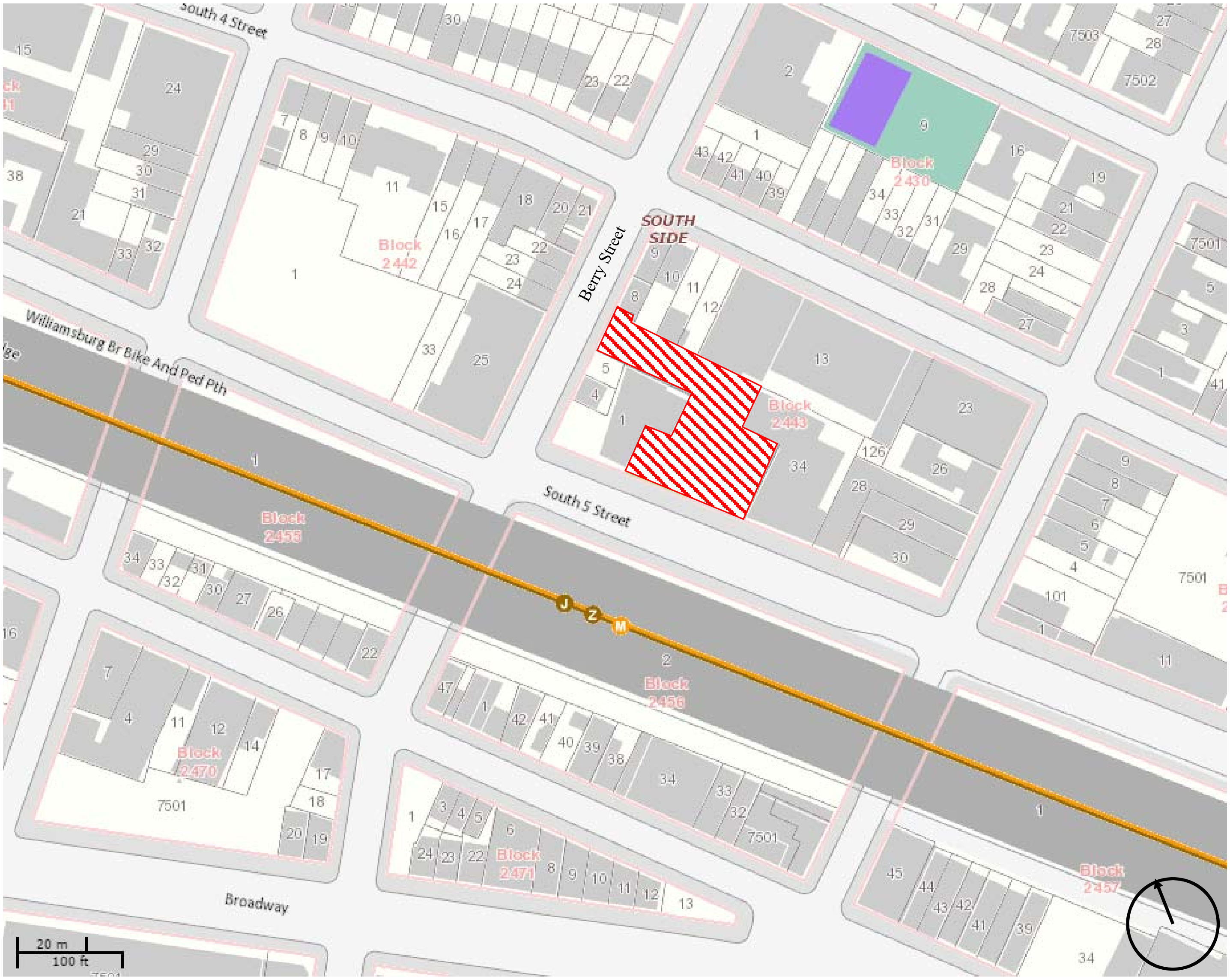
(including Property Base Map and USGS Map)

DOF - Digital Tax Map

Search for a Location

Searched Locations





Map Source:
http://www.oasisnyc.net/map.aspx

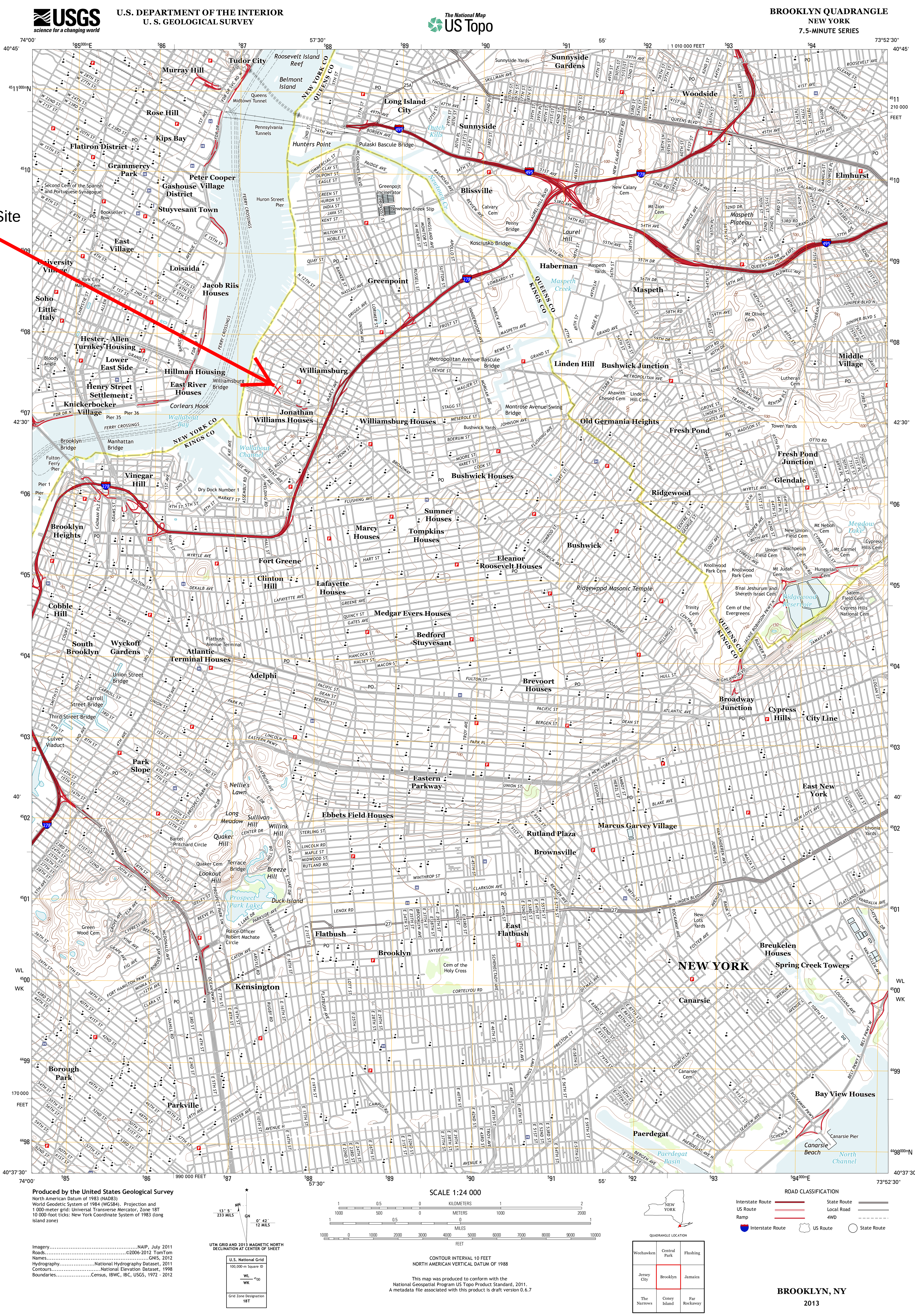
Legend:

Proposed Brownfield Property Boundary

Adjacent Property Owner Information

Block Number:	Lot Number:	Street Address	Property Owner:
2443	9	90 SOUTH 4TH STREET, BROOKLYN NEW YORK 11249	HELEN HEYNING
2443	10	92 SOUTH 4TH STREET, BROOKLYN NEW YORK 11249	92 SOUTH 4TH ST LLC
2443	11	94 SOUTH 4TH STREET, BROOKLYN NEW YORK 11249	TERRA GARDENS LLC
2443	12	96 SOUTH 4TH STREET, BROOKLYN, NEW YORK 11249	CELITA CONCEPSION
2443	13	98-100 SOUTH 4TH STREET, BROOKLYN NEW YORK 11249	RLBK PROPERTY LLC
2443	34	109 SOUTH 5TH STREET, BROOKLYN NEW YORK 11249	109 SOUTH 5TH PROPERTY LLC
2442	23	330 BERRY STREET, BROOKLYN NEW YORK 11249	MEISELS TR
2442	24	332 BERRY STREET, BROOKLYN NEW YORK 11249	CHARLES GRIFFIN
2442	25	338 BERRY STREET, BROOKLYN NEW YORK 11249	BERRY STREET DEVELOPMENT CORP.
2443	8	333 BERRY STREET, BROOKLYN NEW YORK 11249	333 BERRY STREET LLC
2443	5	343 BERRY STREET, BROOKLYN NEW YORK 11249	345 BERRY ST. REALTY, LLC
2443	4	345 BERRY STREET, BROOKLYN NEW YORK 11249	345 BERRY ST. REALTY, LLC
2443	1	347 BERRY STREET, BROOKLYN NEW YORK 11249	95 SOUTH 5TH LLC
2443	23	364 BEDFORD AVENUE, BROOKLYN NEW YORK 11249	SOUTH 4 RESIDENCE LLC
2443	26	370 BEDFORD AVENUE, BROOKLYN NEW YORK 11249	613 SG LLC
2443	28	374 BEDFORD AVENUE, BROOKLYN NEW YORK 11249	SOUTH FIVE HOLDINGS LLC
2443	29	376 BEDFORD AVENUE, BROOKLYN NEW YORK 11249	ACHUDS LLC
2443	30	378 BEDFORD AVENUE, BROOKLYN NEW YORK 11249	RAFAEL OLIVO PEREZ

Project Site



ZOLA MAP & ZONING INFORMATION

105 S. 5th Street, Brooklyn, NY

BROOKLYN Block: 2443 Lot: 6

- Zoning

Zoning Information:

Borough: Brooklyn **Block:** 2443 **Lot:** 6

Zoning: M1-2/R6

Special Purpose District:
Special Mixed Use District (MX-8)

Zoning Map: 12d

Historical Zoning Maps: 12d

Department of City Planning, Zoning Database (updated monthly)

GREEN-POINT WILLIAMSBURG REZONING EIS

A. INTRODUCTION

An assessment of hazardous materials is required as part of the zoning changes proposed for the Greenpoint-Williamsburg area as part of the proposed action. Rezoning of lots that have been historically used for manufacturing to a residential use, including conversion of existing structures, may lead to increased exposure of hazardous materials, some of which may have significant adverse impacts to human health or the environment if these materials are not adequately addressed. As part of the process of rezoning a manufacturing zone to allow a commercial or residential zone, new development in a manufacturing zone, or development adjacent to a manufacturing zone, a hazardous materials assessment is required. A hazardous materials assessment begins with a Phase I Environmental Site Assessment (ESA) which is to be conducted in accordance with American Society of Testing and Materials (ASTM) protocol E-1527. Because the majority of the sites are privately owned, the hazardous materials scope for this project was limited to observation from public access ways (i.e., streets and sidewalks). Therefore, a full Phase I ESA did not occur.

The analyses were undertaken to determine whether additional investigations are necessary and whether remediation or an (E) designation should be required to avoid the potential for impact. The sites were subject to a preliminary screening which leads to a recommendation whether the site is to be mapped with an (E)-designation. An (E)-designated site is an area designated on a zoning map within which no change of use or development requiring a New York City Department of Buildings permit may be issued without approval of the New York City Department of Environmental Protection (DEP). These sites require the DEP's review to ensure protection of human health and the environment from any known or suspected hazardous materials associated with the site.

As described in the *CEQR Technical Manual*, the goal of a hazardous materials assessment is to determine whether a proposed action would lead to a potential increased exposure of hazardous materials to people or the environment or whether the increased exposure would lead to significant public health impacts or environmental damage. The objective of the hazardous materials assessment is to determine which, if any, of the projected and potential development sites identified as part of the reasonable worst case development scenario (RWCDS) may have been adversely affected by current or historical uses at, adjacent to, or within 400 feet of the sites such that the property would require an (E) designation.

Hazardous materials, as defined in the *CEQR Technical Manual*, are any substance that poses a threat to human health and the environment including, but not limited to, heavy metals, volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), methane, polychlorinated biphenyls (PCBs), pesticides, polychlorinated dibenzodioxins, dibenzofurans, and hazardous wastes. Hazardous wastes are defined under the regulations promulgated by the Resource Conservation and Recovery ACT (RCRA) as solid waste that meets at least one of the four characteristics: ignitability, corrosivity, reactivity, and/or toxicity. A listed hazardous waste originates from a non-specific source and is identified in NYCRR Part 371.4.

For the Greenpoint-Williamsburg rezoning area, 340 sites were identified as either potential or projected development (See Chapter 1, "Project Description"). Each of these sites were evaluated by reviewing 1) historical topographic maps and Sanborn fire insurance maps; 2) an environmental regulatory database summary for the project area including a 1,000 foot buffer area; and 3) observing the sites to identify environmental conditions that may be associated with a particular property.

Historic United States Geological Survey (USGS) topographic maps dated 1995, 1979, 1967, 1956, 1943 and 1900 were obtained from EDR and reviewed to assess changing conditions within the project area. Several historic maps of the Greenpoint–Williamsburg area were available on the Internet and were also reviewed for this project.

A Site Observation Sheet was formed to standardize the review of each site to include pertinent information such as the current occupants or site operations/activity, Tax Block and Lot numbers, addresses, land use, lot size, historic site information, building information, notes on general environmental related observations, neighboring property uses, and listings on environmental regulatory agency databases.

The Site Observation Sheets were prepared for 339 of the 340 sites associated with the proposed action, and they are included as Appendix D. A Site Observation Sheet was not prepared for Site 211 because a Phase I report was recently completed for this site. A summary of the Phase I Report for Site 211 is provided within this chapter.

B. EXISTING CONDITIONS

Historic Sanborn Fire Insurance Map Review

Sanborn maps were also obtained from EDR and reviewed to assess site activities and operations from specific years over the period of 1887 through 1996. For the majority of the sites, the Sanborn map coverage included 1887, 1905, 1916, 1942, 1951, 1965, 1978-1983, 1986-1989, 1991-1993, 1995, and 1996. However, the southern portion of the proposed action area appears to have been mapped during other years. Therefore, maps dated 1904, 1918, 1935, 1947, 1950, 1965, 1977, 1979-1982, 1984, 1986-1987, 1989, 1991-1993 1995, and 1996 were reviewed for the southernmost portion. Sanborn maps for 1887 were not available for a small portion of the proposed action area, specifically, Blocks 2372, 2375, 2387, 2399 and 2590, which correspond to Sites 67, 68, 280 through 282, 286 through 290, and 308 through 310. The 1887 Sanborn maps typically do not have much detail and the information that is provided is generally limited to stables, sheds or unidentified structures.

Because the Sanborn maps were periodically issued, information provided by the maps may not be all inclusive. As such, there may be other site occupants or activities that are not identified herein. Also, names of facilities identified on the Sanborn maps are indicated on the Site Observation Sheets as they appear on the maps. Therefore, the facilities may not have a complete (i.e., site activity with no named occupant) or accurate identification (i.e., incorrect spelling or spelling that changed or was revised since the date of the specific map).

The historic Sanborn maps were reviewed for each projected and potential development site. The review consisted of identifying the name(s) of the occupant(s), the type of business conducted, and the years of occupancy for each of the specific lots. Additional information, such as whether the lot had gas tanks, chemical tanks, vats, vaults, kilns, elevators, boilers, etc., was noted when provided for a specific site. Adjacent and nearby lots were also reviewed to identify any recognized environmental conditions. Facilities listed in Appendix 1 of the *CEQR Technical Manual* were particularly noted. For example, lots that were identified as having a prior land use such as gas stations, iron works, plating, foundries, paint manufacturers, junk yards, etc. that make use of, potentially generate, or dispose chemicals that may have a deleterious effect on the environment. For adjacent or nearby lots, the historic land use was investigated considering activities at these sites may have the potential to release chemicals to the environment. Adjacent or nearby lots may be a concern to a specific site if chemicals, when released to groundwater, have the potential to migrate off site. A summary of historic notes from the Sanborn maps are provided on the Site Observation Sheets in Appendix D and were available prior to site reconnaissance.

New York City Building Department File Review

New York City Department of Buildings (DOB) files were reviewed for each of the lots comprising projected and potential development sites by accessing the DOB web site. Information noted in this review included identifying the number of DOB violations, complaints, Environmental Control Board (ECB) violations, and oil burner applications including the date of the application. Because of the volume of violations and complaints for some sites, no further detail is provided herein. However, the majority of the violations appear to be for non-environmental related issues including, but not limited to, certificate of occupancy issues such as illegal residences or non-operational or un-inspected elevators. Most complaints appear to be non-founded after the DOB follow-up investigation of the complaint.

Site Observations

Site observations occurred predominantly during October, November and December 2003. Each site was observed to identify existing environmental conditions and note any potential evidence of historic conditions. Notes were recorded on each site's respective Site Observation Sheet.

Because each of the sites were not accessible for this effort, the site reconnaissance occurred from public access ways, such as streets and sidewalks. Therefore, observations were often limited to the exteriors of buildings and lots. When opportunities existed (i.e. bay doors or overhead roll up doors were open), observers noted additional information such as site activities, conditions, contents and equipment present during the survey. Additionally, photographs were taken and cataloged for each site.

Each site was observed with special attention toward recognized environmental conditions. These environmental conditions include, but are not limited to, the following: the nature of the operations at a property; evidence of petroleum bulk storage tanks from either an oil fill port and/or vent; roof or sidewall vents where potential air discharges occur; electrical transformers or large capacitors; sheens, discoloration or staining of surfaces on or adjacent to a property; topographical disturbances including excavation and filling; stressed vegetation; and solid waste disposal practices. Activities or occupants of adjacent properties were also noted to assess the possibility of a neighboring property contributing an impact on each of the projected or potential sites.

Environmental Database Listing Review

The environmental regulatory file review included a summary of federal databases maintained by the United States Environmental Protection Agency (USEPA) and state databases maintained by the New York State Department of Environmental Conservation (NYSDEC). For this project, the file search was based on the ASTM standard but included a generic 1,000 foot radius as per the *CEQR Technical Manual* rather than the various ASTM search distances for the specific databases. Supplemental ASTM database summaries were also included in this package. A list of acronyms utilized in this chapter is identified in Table 11-1.

A summary of the environmental database review highlighting the properties with greater potential concern is provided below. Names of facilities identified within this chapter and on the Site Observation Sheets are indicated as they appear in the listing. Therefore, the facilities may not have a complete (i.e., address with no name) or accurate identification (i.e., incorrect spelling).

Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS)

Sites listed in the CERCLIS database are potentially hazardous waste sites that have been reported to the United States Environmental Protection Agency by states, municipalities, private companies or private persons. These listings include sites proposed or already on the National Priority List (NPL) and those undergoing screening and/or assessment for inclusion on the NPL.

Service Plating Company, at 154 North 7th Street (Site 210) is listed on the CERCLIS database. This site has been issued notice letters by NYCDEP for odor complaints where there was no action by the owner. The site was reported to be non-operational and contained acids and cyanides in open vats or tanks. A preliminary assessment of the site completed on August 10, 1998 indicated that it was eligible for removal. The removal activity was completed on November 4, 1998. This site is also listed on the FINDS, FTTS, RCRIS-SQG, and UST databases. Blocks 2319 (Site 189), 2326 (Sites 205 and 206), 2327 (Sites 207 through 210), and 2335 (Sites 217 and 218) are within 400 feet of Service Plating Company.

CERCLIS – No Further Remedial Action Planned (CERC-NFRAP)

Sites that are listed on the CERC-NFRAP database have been removed from the NPL. The removal from the NPL may be based on no contamination being found, contamination that was removed without the need for inclusion on the NPL, or contamination that was not significant enough for NPL consideration.

City Barrel & Drum Company, at 421 Meeker Avenue (Site 93) is listed on the CERC-NFRAP database. The assessment history of this site includes discovery, archive site, and a preliminary assessment. This site is also identified on the FINDS and RCRIS-SQG databases with no violations reported. Blocks 2719 (Sites 87 through 89), 2723 (Sites 113 through 117), 2724 (Sites 94 and 95), 2733 (Site 137), and 2734 (Sites 138 through 140) are within both 400 feet of City Barrel & Drum and the proposed action area boundaries.

TABLE 11-1
List of Acronyms

ACM	asbestos containing material
ACO	Administrative Consent Order
AIRS	Aerometric Information Retrieval System
ARAR	Applicable or Relevant and Appropriate Requirement
ASTM	American Society of Testing and Materials
ASTs	Aboveground Storage Tanks
bgs	below ground surface
BROWNFIELDS	A listing of Brownfields Sites
C&D	Construction and Demolition debris
CBS	Chemical Bulk Storage
CERCLA	Comprehensive Environmental Response, Compensation & Liability Act
CERCLIS	Comprehensive Environmental Response, Compensation, and Liability Information System
CERC-NFRAP	CERCLIS - No Further Remedial Action Planned
CFR	Code of Federal Regulations
CORRACTS	Corrective Action Activity
CONSENT	Superfund (CERCLA) Consent Decrees
DEP	Department of Environmental Protection (New York City)
DEC	Department of Environmental Conservation (New York State)
DDC	Department of Design and Construction
Delisted NPL	National Priority List deletions
DOD	United States Department of Defense
DOH	Department of Health (New York State) - interchangeable with NYSDOH
DOB	Department of Buildings
DOE	Department of Energy
DOH	Department of Health
DOS	Department of Sanitation
DOT	Department of Transportation
ECB	Environmental Control Board
EDR	Environmental Data Resources, Inc.
EPA	Environmental Protection Agency (U.S.) - interchangeable with USEPA
ESA	Environmental Site Assessment
EIS	Environmental Impact Statement
EPA	Environmental Protection Agency
ERNS	Emergency Response Notification System
FIFRA	Federal Insecticide, Fungicide and Rodenticide Act
FOIA	Freedom of Information Act - Federal
FOIL	Freedom of Information Law - NY State
FINDS	Facilities Index System
FTTS	FIFRA/TSCA Tracking System
FRDS	Federal Reporting Data System
FURS	Federal Underground Injection Control
HASP	Health and Safety Plan
Haz Mat	Hazardous Materials
HMIS	Hazardous Materials Information System
HMIRS	Hazardous Materials Incident Reporting System
HMTA	Hazardous Materials Transportation Act

TABLE 11-1 (continued)
List of Acronyms

HRS	Hazard Ranking System
HSWDS	Hazardous Substance Waste Disposal Site Inventory
HWIS	Hazardous Waste Information Systems
IRM	Interim Remedial Measure
kg	kilogram - a unit of mass
LF	Landfill
LNAPL	Light (lighter than water) Non-Aqueous Phase Liquid
LQG	Large Quantity Generator
LTANKS	leaking storage tank incident reports
LUST	Leaking Underground Storage Tank
MCL	Maximum Contaminant Level
MDL	Method Detection Limit
mg/kg	milligram/kilogram - a unit of concentration in solids (equivalent to ppm)
mg/L	milligram/Liter - a unit of concentration in liquids (equivalent to ppm)
MGP	Manufactured Gas Plant
MOSF	Major Oil Storage Facility
MLTS	Material Licensing Tracking Systems
MINES	Mines Master Index File
MTBE	Methyl Tertiary Butyl Ether (gasoline constituent)
MW	Monitoring Well
MSDS	Material Safety Data Sheet
MSL	mean sea level
MTBE	methyl tertiary butyl ether
MW	monitoring well
NAPL	Non-Aqueous Phase Liquid
NCP	National Contingency Plan
NPL	National Priorities List
NPL Liens	Federal Superfund Liens
NRC	National Response Center
NYCRR	Official Compilation of NY State Codes, Rules and Regulations
NYSDEC	New York State Department of Environmental Conservation
NYSDOH	New York State Department of Health
NESHAPS	National Emission Standards for Hazardous Air Pollutants
NFA	No Further Action
NOAA	National Oceanic and Atmospheric Administration
NPDES	National Pollution Discharge Elimination System
NPDWS	National Primary Drinking Water Standards
NPIRS	National Pesticide Information Retrieval System
NTIS	National Technical Information System
OSHA	Occupational Safety and Health Administration
PA	Preliminary Assessment
PAH	poly aromatic hydrocarbon
PADS	PCB Activity Database System
PCB	polychlorinated biphenyl
PCE	perchloroethylene
PCS	Permit Compliance System
POTW	public treatment works

TABLE 11-1 (continued)
List of Acronyms

PP	priority pollutant
PPL	priority pollutant list
PNA	Polynuclear Aromatic hydrocarbons - the same as PAH
ppb	parts per billion
ppm	parts per million
PRP	primary responsible party
PSA	Preliminary Site Assessment
PWS	Public Water System
RAATS	RCRA Administration Action Tracking System
RAWP	Remedial Action Work Plan
RBCA	Risk Based Corrective Action
RCRA	Resource Conservation and Recovery Act
RCRIS	Resource Conservation and Recovery Information System
RI	Remedial Investigation
RI/FS	Remedial Investigation/Feasibility Study
ROD	Record of Decision
RP	Responsible Party
SARA	Superfund Amendments Reauthorization Act of 1986 (Federal)
SHWS	State Hazardous Waste Sites
STARS	Spills Technology And Remediation Series
SDWA	Safe Drinking Water Act
SI	Site Investigation
SPCC	spill contingency, countermeasure & control plan
SQG	Small Quantity Generator
SSTS	Section 7 Tracking System
SWF	Solid Waste Facility
SWTIRE	Registered Waste Tire Storage and Facility List
SWRCY	Registered Recycling Facility List
SVOC	Semi-Volatile Organic Compound
SWMU	Solid Waste Management Unit
TAGM	Technical and Administrative Guidance Memorandum
TAL	Target Analyte List
TCE	Trichloroethylene
TCL	Target Compound List
TCLP	Toxicity Characteristic Leaching Procedure
TPH	Total Petroleum Hydrocarbons
TSCA	Toxic Substances Control Act (U.S.)
TSDF	Treatment, Storage or Disposal Facility
TRIS	Toxic Chemical Release Inventory System
TSCA	Toxic Substance Control Act
ug/kg	microgram/kilogram - a unit of concentration in solids (equivalent to ppb)
ug/L	microgram/Liter - a unit of concentration in liquids (equivalent to ppb)
USGS	United States Geological Survey
UST	Underground Storage Tank
VCP	New York State's Voluntary Cleanup Program
VOC	Volatile Organic Compound
WWTP	Waste water treatment plant

Resource Conservation and Recovery Act Corrective Action Activity (CORRACTS) and Resource Conservation and Recovery Information System-Transport, Storage or Disposal Facilities (RCRIS-TSD)

The CORRACTS database includes handlers with Resource Conservation and Recovery Act corrective action activity. The RCRIS-TSD database includes site information regarding generation, transport, storage, treatment and/or disposal of hazardous waste as defined by RCRA.

Radiac Research Corporation, at 33 South First Street (Block 2390) is listed on the CORRACTS and RCRIS-TSD databases. The CORRACTS Database indicates that the site was assigned a low corrective action priority in February 1993. The site has a long list of RCRIS violations including transporter road inspection, TSD-land ban requirements, TSD-other requirements (oversight), TSD-general standards, TSD-preparedness/prevention requirements, TSD-manifest requirements, and TSD-financial responsibility requirements. Blocks within 400 feet of Radiac and the proposed action boundary include 2378 (Sites 291 through 297), 2379 (Sites 298 through 302), 2390 (Sites 312 and 313), 2391, 2403, and 2404 (Site 316).

Radiac is a broker and transporter of mixed waste, which includes low level radioactive waste and hazardous waste. According to the Low Level Radioactive Waste Forum and the Southeast Compact Commission, Radiac holds the following permits and/or licenses: NYS RAD & HAZ Materials Transportation Permits, NYS Radioactive Materials Possession License, USNRC Radioactive Materials Transportation License, and Hazmat Transportation Permits for all US. As such, Radiac is regulated by the United States Environmental Protection Agency (USEPA), Nuclear Regulatory Commission (NRC), and New York State Department of Environmental Conservation (NYSDEC) under numerous rules and regulations including, but not limited to, the Resource Conservation and Recovery Act (RCRA) and New York State Part 381 regulations.

Under a NYSDEC permit (NYD049178296), Radiac is a commercial treatment, storage, and disposal facility (TSDF) for mixed waste, which includes low level radioactive and hazardous wastes. NYSDEC defines low level radioactive waste as "radioactive material that is not high-level radioactive waste, transuranic waste, spent nuclear fuel or the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, and the U.S. Nuclear Regulatory Commission consistent with federal law classifies as low-level radioactive waste" (6 NYCRR Part 381.4q). The NRC defines low level radioactive waste as consisting of "items that have become radioactive through exposure to neutron radiation. Based on information from NRC (www.nrc.gov), the primary identified sources of low level radioactive waste originate from nuclear reactors (consisting of protective clothing for workers in contaminated areas of the power plants or filters to remove materials from water), medical facilities (test tubes, syringes, bottles, tubing and other objects come into contact with radioactive material and research animal carcasses), and industry and research facilities (test tubes, bottles, tubing and process equipment come in contact with the radioactive material and become contaminated or waste generated during the manufacture of devices, such as certain gauges, luminous watches, exit signs and smoke detectors, that contain radioactive material).

The NRC Docket No. 030-12908 (dated April 8, 2003), states that Radiac is authorized by NRC under license no. 31-17528-01 to transport radioactive waste that may contain as much as 50 curies of by product of source material and 700 grams of special nuclear material. The Docket also cites Radiac's request dated July 31, 2002 to possess (for transport) 1,500 curies of any byproduct and source material, 5000 curies of hydrogen 3 (tritium), and 700 grams of any special nuclear material. NRC concludes that "based on the staff evaluation, the conclusion of the EA is a Finding of No Significant

Impact (FONSI) on human health and the environment for the proposed licensing action." The FONSI is based on the "increase risk to the public and workers, and environment for the renewal and increase in possession limits is small and expected doses from routine operations, as well as potential accidents, are well below regulatory limits."

Voluntary Cleanup Program (VCP) Sites

VCP Sites are properties that have been entered into a voluntary remedial program that uses private money to clean up a contaminated site to remediation levels that would allow for productive use. Four VCP Sites were identified within the environmental database report.

A VCP Site (Facility ID V00321-2) identified as 101-105 West Street, is located on Site 52 (Block 2556, Lot 58). The agreement was signed on May 8, 2000. No additional information was available in the database summary. Blocks 2543 (Site 44), 2549 (Sites 45 through 50), 2556 (Sites 51 and 56), 2557 (Sites 53 through 55), and 2562 (Sites 57 through 59) are both within 400 feet of 101-105 West Street and the proposed action area boundaries.

Bayside Oil (Facility ID V00587-2) at 1-65 North 12th Street, Block 2287 is located on Site 211. The agreement was signed December 2, 2002. No additional information was available in the database summary. No other projected or potential sites are within 400 feet of Bayside Fuel.

Fyn Paint & Lacquer Co., Inc (Facility ID V00380-2) at 230 Kent Avenue, Block 2362. The agreement was signed on April 1, 2001. No additional information was available in the database summary. Blocks within 400 feet of the Fyn Paint and Lacquer include 2340 (Site 222), 2349 (Site 235), 2357 (Sites 246 through 248), 2363 (Sites 255 through 258), and 2378 (Sites 291 through 297).

A VCP Site identified as 98-116 South 4th Street (Facility ID V00094-2), Block 2430 is located on Site 328. The agreement was signed on April 4, 1999. No further information was available in the database summary. Blocks 2416 (Site 318), 2442 (Sites 324 through 326), and 2443 (Sites 327 through 330) are within 400 feet of 98-116 South 4th Street and the project boundaries.

Major Oil Storage Facilities (MOSF)

The MOSF database includes facilities that are licensed pursuant to Article 12 of the Navigation Law, 6 NYCRR Part 610, and 17 NYCRR Part 30 and include onshore facilities or vessels with petroleum storage capacities of 400,000 gallons or greater. Facilities that have been licensed or closed since April 1, 1986 are included on this listing. Four MOSF Sites were identified in the environmental database report.

Motiva Enterprises LLC at 25 Paidge Avenue is outside the proposed action area boundary. The database indicates the site has a total capacity of 2.25 million gallons, which consists of varying amounts of fuel oil, diesel, and unleaded gasoline. Sites 14, 15, and 16 on Block 2483 are within 400 feet of Motiva Enterprises.

Bayside Fuel Oil Depot Corp. is located on Site 211. According to the database this site is no longer a major facility. There are no other projected or potential sites within 400 feet of Bayside Fuel Oil Depot Corp.

North First Street Fuel Oil Terminal is at Blocks 2361, 2355, and 2362. The database indicates that the facility has a total capacity of over 33 million gallons. However, the database also indicates that all the tanks are empty. Blocks within 400 feet of the North First Street Oil Terminal include 2340 (Site 222), 2349 (Site 235), 2357 (Sites 246 through 248), 2363 (Sites 255 through 258), and 2378 (Sites 291 through 297).

Tate & Lyle North American Sugar Inc. is at 49 South Second Street, Block 2415. The database indicates that the facility has a total capacity of over 400 thousand gallons of varying grades of fuel oils. Blocks 2390 (Sites 312 and 313), 2404 (Site 316), and 2416 (Site 317) are within both 400 feet of Tate & Lyle and the proposed action area boundaries.

PCB Activity Database (PADS) Sites

The PADS database includes generators, transporters, commercial storers, and/or brokers and disposers of PCBs. These sites are required to notify USEPA of their activities. One PADS Site was identified in the environmental database report. Radiac Research Corp. is at 33 South 1st Street (Block 2390). This site has been previously described in the CORRACTS and RCRIS – TSD paragraph.

Toxic Chemical Release Inventory System (TRIS)

The TRIS database includes facilities that have reported releases of toxic chemicals to the air, water, and land in quantities defined by the Superfund Amendment and Reauthorization Act (SARA) Title III, Section 313. Two sites have been identified in the TRIS database for this search.

Parker Hannafin Corp. is listed at 100 Dunn Road in Lyons, New York, with a local presence at 208 Dupont Street. The database indicates that the facility emits 500 pounds per year of toluene and less then 400 pounds per year of xylene and various isomers into the air. This facility is approximately 400 feet from Block 2483. Therefore, it may be within the distance limitation to affect Sites 14, 15, and 16, which are near the easternmost portion of Block 2483.

Carter Spray Finishing, at 65 Eckford Street, Block 2698, Lot 26 is located on Site 77. The database indicates that the facility emits greater than 8,000 pounds per year of trichloroethylene (TCE) into the air. Blocks 2697 (Sites 71 through 73), 2698 (Sites 74 through 77), 2699 (Sites 79 and 80), 2701 (Site 81), 2713 (Sites 82 and 83), and the northwest corner of 2714 (Site 85) are within 400 feet of Carter Spray Finishing and within the proposed action area boundary.

Section 7 Tracking System (SSTS) of Federal Insecticide, Fungicide and Rodenticide Act

Section 7 of the Federal Insecticide, Fungicide, and Rodenticide Act requires all registered pesticide producing facilities to submit a report to USEPA by March 1st of each year. The report includes the types and amounts of pesticides, active ingredients, and devices being produced, and those having been produced and sold or distributed in the past year.

One SSTS site was identified in this search: Gleem Industries at 219 Kent Avenue (Site 255), Block 2363, Lots 2 and 3. The database contains limited information about the listing. Blocks within a 400 foot radius of Gleem Industries that are also within the proposed action area boundary include 2357 (Sites 246, 247, and 248) and 2378 (Sites 291 through 297).

Hazardous Substance Waste Disposal Sites (HSWDS)

The HSWDS database includes an inventory of known or suspected hazardous waste disposal sites. Sites delisted from the Registry of Inactive Hazardous Waste Disposal Sites and non-registry sites that have had a preliminary assessment or Site Investigation report prepared.

One HSWDS site was identified in this search: Williamsburg Works at Kent Avenue and North 12th Street (Site 211), which is at Blocks 2277, 2282, 2287, and 2288. The database indicates that the facility is a former coal gasification plant and temporary storage of coal tar occurred at this site. There are no projected or potential sites within a 400 foot radius except for Site 211.

Former Manufactured Gas (Coal Gas) Sites

Williamsburg Gas Light Co., at 41 North 11th Street (Site 211), Block 2294, Lot 1 has been identified as a former manufactured gas plant. Blocks within a 400 foot radius that may be impacted by activities at the former Williamsburg Gas Light Co., Inc. include 2301, 2302, 2295, 2288, and 2287. However, there are no projected or potential development sites within these blocks except for Site 211. This site is further discussed later in this chapter.

Because of the volume of the sites identified in other environmental databases reviewed for this project, summaries of these listings are not provided within this discussion. However, Table 11-2 provides a summary of the sites that are listed in the environmental databases that were searched. Also, the Site Observation Sheets in Appendix D identify whether any of the project sites or adjacent properties are listed in these databases.

The following table provides the number of projected and potential development sites identified within the project area and 1,000 foot search radius under the specific databases.

Database	Number of Sites Identified
RCRA Large Quantity Generator (LQG)	14
RCRA Small Quantity Generator (SQG)	192
Emergency Response Notification System (ERNS)	14
State Landfill (SWF/LF)	17
Leaking Tanks (LTANKS)	59
Petroleum Bulk Storage – UST (PBS-UST)	154
Petroleum Bulk Storage – AST (PBS-AST)	61
Chemical Bulk Storage (CBS)	12
Facilities Index System (FINDS)	242
Hazardous Materials Incident Report System (HMIRS)	12
FTTS	12
SPILLS	291

Several other ASTM Standard and Supplemental environmental databases were reviewed for the proposed action area. However, the results of the search did not identify any properties in these databases for the proposed action area. These databases include the following:

National Priority List (NPL)
Proposed NPL
State Hazardous Waste Sites (SHWS)
Registered Waste Tire Storage and Facility List (SWTIRE)
Registered Recycling Facility List (SWRCY)
Superfund (CERCLA) Consent Decrees (Consent)
Records of Decision (ROD)

TABLE 11-2

PROPERTIES LISTED IN ENVIRONMENTAL DATABASES
GREENPOINT-WILLIAMSBURG REZONING

Site	EDR Map ID	Block	Lot	Address	Responsible Party	Database	Comment
1	35	2472	410	77 Commercial Street	Harte & Co. Inc	SQG, FINDS	SQG - No violations
					Former United Feather and Down Inc.	PBS UST	Tank ID 1, 550-gal unleaded gasoline closed in place 12/01/80
							Tank ID 001, 15,000-gal UST No. 1, 2, or 4 fuel oil in service
						FTTS	EPA ID 110011937459
					Unnamed Facility	SPILLS	Spill # 0004920 reported 7/25/00, closed 10/23/01, 1 pint of unknown petroleum.
							Spill # 9811015. Spill reported during removal 550-gal gasoline tank used for 4 oil on 12/02/98 Unknown quantity spilled. Spill closed July 1999.
2	37	2472	2	65 Commercial Street	Unnamed facility	LTANKS	3 -5,000 gal diesel tanks, 1- 550 gal waste oil tank, 1-1120 gal lube oil tank. 2 inches of oil on water during removal.
					NYCTA	LQG	Waste D001, F005, F003. Violation - Generator Requirements.
						FINDS	AIRS/AFS, FRS, RCRA INFO, Reg. Facility
					Crosstown Bus Depot	PBS UST, AST	Tank ID 001 - 5,000 gal. diesel UST, closed in place 3/1/91
							Tank ID 002 - 5,000 gal. diesel UST, closed in place 3/1/91
							Tank ID 003 - 5,000 gal. diesel UST, closed in place 3/1/91
							Tank ID 004 - 1,120 gal. lube oil, closed in place 2/1/91
							Tank ID 006 - 550 gal. stored (other) UST, closed in place 1/01/91
							Tank ID 005 - 550 gal stored (other) AST, closed 1/01/91.
							Tank ID 007 - 1,100-gal stored (other) AST, 1/1/86
3	68	See Note 1		171 West Street	Lumber Exchange Terminal	NY Spill	Spill # 0106864 reported 10/02/01, remains open
5	42	2482	7	15 Clay Street	Steven Supply Co.	NY Spill	Spill # 9514360 reported 2/25/96, closed 4/29/96
18	52	2503	1	198 West Street	Eagle Street Associates	PBS UST	Tank ID 001 - 10,000 gal UST -1,2 or 4 fuel oil, closed in place 11/1/96
							Tank ID 002 - 6,000 gal UST - 1, 2, or 4 fuel oil closed in place 11/1/96
19	65	2511	1	61 Green Street	Courier Packaging Co.	FINDS (EDR 60 and 52)	AIRS/AFS, FRS, NTI
					Rialto Products	FINDS	AIRS/AFS, FRS
					MCN Design	PBS AST	Tank ID 001 - 2,000 gal- No. 1, 2 or 4 fuel oil, in service
21	65	2511	31	71 Green Street	Liqui Mark	SQG, FINDS	SQG with 9 violations, FRS, RCRA INFO
24	73	2520	1	161 West Street	Deven Lithographs	PBS UST	Tank ID 011 - 5,000 gal 1, 2 or 4 fuel oil, in service
34	75	2530	1	145 West Street	Unnamed Facility	LTANKS	Spills # 9408283, & # 9408663 fuel oil, closed 12/2/94
					Huxley Envelope	FINDS	FRS, RCRA INFO
						SQG	SQG-Violations exist
						PBS UST	Tank ID 001- 20,000 gal 1,2 or 4 fuel oil, closed in place 10/1/94
						PBS AST	Tank ID 002 - 10,000 gal 1, 2 or 4 fuel oil, not closed
44	82	2543	1	10 Java Street	Vanguard Diversified Inc	SQG, FINDS	SQG-Violations exist, FRS, RCRA INFO, TRIS
45	81	2549	1	122 West Street	Trans America Clothing Co.	PBS AST	Tank ID 001 4,800 gal 1,2 or 4 fuel oil.
47	80, 84	2549	15	68 Java Street	Metropolitan Packaging Mfg	FINDS	AIRS/AFS, FRS
49	159	2549	28	67 Kent Street	Eaton Allen	FINDS	AIRS Facility System, Facility Registry System
						FTTS	Violation occurred - A.J MUL
					Barouh Eaton Corp	CBS UST	1080-gal. tank containing methylene chloride, closed 4/98
						PBS AST	Tank ID 001 - 2,000 gal - No. 1, 2 or 4 fuel oil, in service
						LTANKS	Spill #9908120 on 10/4/99, 10 gal of No. 2 fuel oil, not closed.
52	86	2556	57	101 West Street	Laurel Hill Realty Co. (Volunteer)	VCP	Facility ID V00231-2 (101-105 West Street)

Notes: 1 - Site 3 consists of Block 2494 Lot 1, Block 2502 Lot 1, Block 2472 Lot 2, Block 2510 Lot 1, and Block 2520 Lot 57.

TABLE 11-2

PROPERTIES LISTED IN ENVIRONMENTAL DATABASES
GREENPOINT-WILLIAMSBURG REZONING

Site	EDR Map ID	Block	Lot	Address	Responsible Party	Database	Comment
53	86	2557	1	96 West Street	Madison Greenpoint Realty Co.	PBS AST	Tank ID 001 - 5,000 gal. No. 1, 2 or 4 fuel oil, no close date
				37 Greenpoint Avenue	GMDC	SQG, FINDS	SQG - No violations
55	89, Orphan	2557	24	61 Greenpoint Avenue	Guard General Merchandise	PBS AST	Tank ID 001 - 7,500-gal 1, 2, or 4 fuel oil in service
					Brooklyn Woodworkers Co-Op	SQG	Small Quantity Generator - Listed as an orphan site, generates D005 waste
					Brooklyn Woodworkers Co-Op	FINDS	Facility Registry System, RCRA INFO
62	102,103	2570	1	11 West Street	Unnamed Facility	HMIRS	5 Listings
					P. Chimento Trucking, Inc	PBS UST	Tank ID 001 - 550 gal diesel, closed and removed 9/1/92
							Tank ID 002 - 550 gal diesel, closed and removed 9/1/92
							Tank ID 003 - 550 gal diesel, closed and removed 9/1/92
							Tank ID 004 - 550 gal diesel, closed and removed 9/1/92
							Tank ID 005 - 550 gal diesel, closed and removed 9/1/92
						PBS AST	Tank ID 016 - 275 gal stored (other), no close date
							Tank ID 017 - 275 gal stored (other), no close date
							Tank ID 018 - 275 gal stored (other), no close date
							Tank ID 019 - 275 gal stored (other), no close date
					Consolidated Freightway	PBS UST	Tank ID HO-1 - 2,000 gal No. 1, 2 or 4 oil, closed in place
						SQG, FINDS	SQG- No Violations, FRS, RCRA INFO
					Shimento Trucking Inc	LTANKS	Spill # 9614166 reported 3/6/97, nitric acid, no close date
							Spill # 8906488 reported 10/2/89 #2 fuel oil, no close date
67	108	2590	1	40 Quay Street	NYC Transit Authority	PBS UST	Tank ID QUA-1, 7,500-gal No. 1, 2, or 4 fuel oil UST, in service
							Tank ID QUA-2, 7,500-gal No. 1, 2, or 4 fuel oil UST, in service
					Williamsburg Steel Prod.	FINDS	Faculty Registry System, AIRS Facility System
68	111	2590	210	31 Franklin Street	W H Christian & Sons	SQG, FINDS	SQG - No Violations, FRS, RCRA INFO
						PBS UST	Tank ID 001 - 550 gal unleaded gasoline closed and removed 11/1/97
							Tank ID 002 - 550 gal unleaded gasoline closed and removed 11/1/97
							Tank ID 003 - 550 gal unleaded gasoline closed and removed 11/1/97
							Tank ID 004 - 550 gal unleaded gasoline closed and removed 11/1/97
							Tank ID 005 - 550 gal unleaded gasoline closed and removed 11/1/97
						LTANKS	Spill # 9710386 reported 12/20/97 gasoline, no close date
73	167	2697	1	477 Leonard Street	HT Jewelry MFG Co.	SQG, FINDS	SQG - No violations
78	160	2698	26	65 Eckford Street	Carter Spray Finishing	CBS AST	275-gal tank containing TCE, closed 9/98
							275-gal tank containing TCE, closed 9/98
						SQG	SQG - No violations
						FTTS	Failure to report to EPA
						FINDS	AIRS/AFS, FRS, ICIS, NCDB, NET, NTI, RCRA INFO, and TRIS Reg. Facility
79	151	2699	9	257 Driggs Avenue	Carter Spray Finishing	SQG, FINDS	SQG-No Violations, AIRS/AFS, FRS, NET, NTI, RCRA INFO
86	170	2714	30	125 Newton Street	Elli Woodworking Industries	FINDS	AIRS/AFS, FRS, NTI
88	170	2719	14	126 Newton Street	Chlorine Factory	Spill	Spill # 9809496, on 10/28/98. No volume of calcium and hypochlorite reported. Spill not closed.

TABLE 11-2

PROPERTIES LISTED IN ENVIRONMENTAL DATABASES
GREENPOINT-WILLIAMSBURG REZONING

Site	EDR Map ID	Block	Lot	Address	Responsible Party	Database	Comment
93	205	2724	34	421 Meeker Avenue	City Barrel and Drum	CERCNFRAP, FINDS, SQG	SQG - No Violations, FRS, RCRAINFO
96	172	2727	1	550 Humboldt Street	Mobil Service Station	LTANKS	Spill # 9007766 reported 10/16/90, gasoline spill, not closed
						SQG, FINDS	SQG No Violations, AIRS/AFS, FRS, RCRA INFO
						PBS UST	Tank ID 700, 1,000 gal. used oil, in service
							Tank ID 600 - 1,000 gal. No. 1, 2 or 4 fuel oil, in service
							Tank ID 100 - 4,000 gal unleaded gasoline, in service
							Tank ID 200 - 4,000 gal. unleaded gasoline, in service
							Tank ID 300 - 4,000 gal. unleaded gasoline, in service
100	194	2291	1	95 Bedford Ave	NJZ Colors Inc.	LQG	LQG-No violations, Owner is Horsehead Ind.
						PBS AST	Tank ID 101 - 20,000 gal No. 1, 2 or 4 fuel oil, closed 12/31/97
					Reichold Chemicals Inc.	SQG, FINDS	SQG 1 violation, AIRS/AFS, BRS, FRS, RCRA INFO
					Unnamed	NY Spills	Spill # 9711671, 3 gal paint reported 11/25/97, closed 5/1/98
					Weather Fuel	NY Spills	Spill # 9414974 10 gal of No. 2 fuel oil reported 2/21/94, closed 2/14/95
105	208	2721	11	721 Bayard Street	Ainstar Realty	PBS UST	Tank ID 001 - 5,000 gal No. 1,2 or 4 fuel oil, in service
					Unnamed	NY Spills	Spill # 9801444 reported 5/3/98, no close date
111	213	2722	21	407 Leonard Street	Graf Air Property	SQG	SQG - No violations
					DL Brenner & Sons	PBS UST	Tank ID 001 - 550-gal diesel fuel, closed and removed 10/1/90
							Tank ID 002 - 550-gal diesel, closed and removed 10/01/90
							Tank ID 003 - 550-gal unleaded gasoline, closed and removed 10/1/90
							Tank ID 004 - 550-gal other, closed and removed 10/1/90
							Tank ID 005 - 550-gal other, closed and removed 10/1/90
117	217	2723	38	101 Richardson Street	Israel M Dolgin Associates	PBS AST	Tank ID 001, 5,000-gal No. 1, 2, or 4 fuel oil, in service
119	177	2297	5	55 Berry Street	A&M Teitelbaum	PBS AST	Tank ID 001 - 4,000-gal No. 5 or 6 fuel oil, in service
						SPILLS	Spill # 9514403 (Vault 2476) and Spill # 9514404 (Vault 2017) on 2/11/96. Comment indicates waiting for replacement transformers prior to clean up. No closing date reported.
						ERNS	Vault 2017, Vault 2476, 55 Berry Street
					Con Edison	FINDS	Biennial Reporting System, Facility Registry System
					Marshall Wittson	FINDS	AIRS Facility Registry, Facility Registry System
120	186	2297	1	61 Berry Street	Unnamed Facility	NY Spills	Spill # 9902614 reported 6/7/99, no close date
					J. Takahashi Inc	SQG	LQG-No Violations
						PBS UST	Tank ID 1 - 4,000 gal 1, 2 or 4 fuel oil, closed and removed 7/1/99
							Tank ID 2 - 4,000 gal diesel, in service
127	228	2299	21	215 North 10th Street	Robinson Brothers Industries	CBS AST	Tank ID-001 - 5,000 gal of hydrochloric acid, closed 2/92
							Tank ID 002 - 12,000 gal of ammonium hydroxide, closed 2/92
							Tank ID 003 - 2,000 gal of nitric acid, closed 1/91
128	211	2300	5	5 Roebling Street	J. Tuomey Truck Repair	PBS AST	Tank ID 001 - 275 gal AST used oil
131	243	2731	44	17 Frost Street	P&G Photo Engraving	SQG, FINDS	SQG - No violations, Facility Registry System, RCRA INFO
135	222	2732	5	68 Richardson Street	Unnamed Facilty(ies)	PBS UST	Tank ID 001 - 1,500 gal No. 1, 2, or 4 fuel oil, closed in place 4/1/97.
						LTANKS	Spill #9312569, on 1/25/94, 1 gallon of No. 2 oil, spill closed 6/11/01.

TABLE 11-2

PROPERTIES LISTED IN ENVIRONMENTAL DATABASES
GREENPOINT-WILLIAMSBURG REZONING

Site	EDR Map ID	Block	Lot	Address	Responsible Party	Database	Comment
137	213	2733	7	392 Leonard Street	Unnamed Facility	Petro Spill	Spill #9900802, contaminated soil encountered while removing gasoline tanks on 4/21/99, soil removed, closed August 1999.
					278 Fuel Stop	PBS UST	Tank ID 006 - 550 gal. diesel, in service
							Tank ID 006A - 4,000 gal diesel, in service
							Tank ID 007A - 4,000 gal unleaded gasoline, in service
							Tank ID 008A - 4,000 gal unleaded gasoline, in service
							Tank ID 001 - 4,000 gal diesel, in service
142	186	2304	10	136 North 10th Street	National Paper Stock	SWF/LF	Regulated Transfer Station
146	216	2306	11	206 North 10th Street	Adelphia Container Corp	SQG	SQG - No violations
150	237	2307	1	240 North 10th Street	Alpha Empiron Building Corp.	FINDS	AIRS/AFS, FRS
153	273	2736	1	544 Union Avenue	Beach-Russ Co.	SQG	Violation 8/99 Generator-all requirements (oversight)
						FINDS	Biennial Reporting System, Facility Registry System, RCRA INFO
164	226	2313	1	505 Driggs Avenue	Atelier Viollet	FINDS	No Information Provided
171	246	2314	5	238 North 9th Street	238 North 9th St. Realty Corp.	PBS UST	Tank ID 001 - 3,000 gal. No. 1, 2 or 4 fuel oil, closed in place 11/4/00
174	68,278	2741	3	526 Union Avenue	Unnamed Facility	Spills	Spill # 9811933 on 12/18/98, 100 gal. of waste oil, closed 12/22/98.
178	269	2741	19	243 Meeker Avenue	Meeco Corp	PBS AST	Tank ID 001 - 240 gal. used oil, no close date
						PBS UST	Tank ID 001 - 550 gal unleaded gasoline, closed prior to 4/91 (in place or removed)
							Tank ID 002 - 550 gal unleaded gasoline, closed prior to 4/91 (in place or removed)
							Tank ID 003 - 550 gal unleaded gasoline, closed prior to 4/91 (in place or removed)
							Tank ID 004 - 550 gal unleaded gasoline, closed prior to 4/91 (in place or removed)
							Tank ID 005 - 550 gal unleaded gasoline, closed prior to 4/91 (in place or removed)
					Amaco	NY Spills	Spill # 9707004, reported 9/12/97, closed 10/17/97
					Dicke & Ann Auto Service	FINDS	AIRS/AFS, FRS
189	220	2319	31	133 North 7th Street	Regency Metal Stamping	FINDS, FTTS	FRS, NCDB
					Unnamed Facility	NY Spills	Spill # 9804127, reported 6/25/98, cutting oil, closed 9/28/01
190	204	2320	15	177 North 7th Street	Harry Vanderale School	Spill	Spill # 9800014 on 4/1/98, 4 gal of No. 2 fuel oil, not closed, some uncertainty regarding the spill address.
	206			179 North 7th Street	FRI Realty Corp.	PBS AST	Tank ID 001 - 3,000 gal of No. 1, 2 or 4 fuel oil
197	281	2322	28	255 North 7th Street	Puritan Lighting Fixture	SQG	SQG - No violations
						FINDS	Facility Registry System, RCRA INFO
199	192	2332	1	144 Kent Avenue (144-162)	Waste management of NY	SQG	SQG - No violations
						FINDS	Facility Registry System, RCRA INFO
202	203	2325	25	67 North 6th Street	National Display Co. National Sawdust	FINDS	AIRS Facility Registry, Facility Registry System
208	214	2327	5	125 Berry Street	S.C, Truck & Auto Repair	PBS UST	Tank ID 001 - 550 gal unleaded gasoline, closed and removed 3/16/00
							Tank ID 002 - 550 gal unleaded gasoline, closed and removed 3/16/00
							Tank ID 003 - 550 gal unleaded gasoline, closed and removed 3/16/00
							Tank ID 004 - 550 gal unleaded gasoline, closed and removed 3/16/00
							Tank ID 005 - 550 gal unleaded gasoline, closed and removed 3/16/00

TABLE 11-2

PROPERTIES LISTED IN ENVIRONMENTAL DATABASES
GREENPOINT-WILLIAMSBURG REZONING

Site	EDR Map ID	Block	Lot	Address	Responsible Party	Database	Comment
210	230	2327	19	154 North 7th Street	Service Plating Co.	CERCLIS	Removal only site, removal completed 11/4/98
						FTTS	violation occurred 3/15/95
						FINDS	Facility Registry System, National Compliance Database
						PBS UST	Tank ID 001 - 3,000 gal of No. 1, 2, or 4 fuel oil, in service
						LTANKS	Spill #8909928, 3,000 gal tank containing No. 2 oil failed tightness test 1/90, not closed
						SQG	SQG - No violations
211	121	2287	16	20 North 12th Street	City Storage	SPILLS	Spill # 9805691 on 8/7/98, no spill volume reported, unknown petroleum, spill closed 8/10/98.
211	169	2287	1	21 North 12th Street	Bayside Oil/Transgas Energy Systems LLC (Volunteer)	VCP	Facility ID # V00587-2
215	235	2334	40	91 North 5th Street	Rizzo Trucking Inc	PBS UST	Tank ID 001 - 4,000 gal diesel UST in service
222	193,264	2340	1	2 North 5th Street	Nekboh Recycling	SWF/LF	C&D recycling
					USA Waste of NYC	LTANKS	Spill #9609934 on 11/8/96, no spill volume reported, diesel, not closed.
					USA Waste Services	PBS UST	Tank ID 001 - 550-gal diesel, removed 11/1/96
							Tank ID 002 - 550-gal diesel, removed 11/1/96
							Tank ID 003 - 550-gal diesel, removed 11/1/96
							Tank ID 004 - 550-gal diesel, removed 11/1/96
					Baretti Carting Corp	FINDS	AIRS Facility System, Facility Registry System
					Jumbo Carting Refuse	SQG, FINDS	SQG - No Violations, FRS, RCRA INFO
224	225,227	2342	1	185 Wythe Avenue	State Pipe and Nipple Corp	SQG	SQG - No violations
						FINDS	AIRS Facility Registry, Facility Registry System
			1	80 North 5th Street	Merit Screen Printing	SQG, FINDS	SQG- No Violations, FRS, RCRA INFO
227	249	2343	5	116 North 5th Street	Plaza School Bus Corp	PBS UST	Tank ID 001 - 4,000 gal of unleaded gasoline, closed in place 1/1/99
							Tank ID 002 - 550 gal of diesel, closed in place 11/1/84
					US Tank	SPILLS	Spill # 9706521 on 8/29/97, no spill voluem reported, No. 2 oil, no spill closure date
230	274	2344	26	155 North 4th Street	Applied Circuits Inc	PBS UST	Tank ID 001 - 10,000 gal No.1, 2 or 4 oil, closed in place 4/1/98
						FTTS, SQG, FINDS	SQG 1 Violation, FRS, RCRA INFO, NCDB
231	274	2344	25	161 North 4th Street	Louis Jacobs and Sons	SQG	SQG - No violations
235	212, 224	2349	15	175 Kent Avenue	V.M. Transfer LTD. (Cardella)	Landfill	Regulated Transfer Station
					Anthony Concrete	NY Spills	Spill # 0009981 on 12/4/00, closed 12/4/00
				157 Kent Avenue	Joral Carting	Landfill	Regulated Transfer Station
238	241	2350	4	76 North 4th Street	Ki-Tov	SQG, FINDS	SQG - 1 Violation, BRS, FRS, RCRA INFO
239	266	2350	24	190 Berry Street	Schiff Food Products	PBS UST	Tanks ID 001 - 10,000-gal No. 1, 2, or 4 fuel oil in service
240	262	2350	26	109 North 3rd Street	Unnamed Facility	Spills	Spill # 0108329, reported 11/16/01, 500 gallons of fuel oil, no close date
241	266	2351	1	201 Berry Street	Garshing Co.	PBS UST	Tank ID 001 - 3,000 gal. No. 1, 2 or 4 fuel oil, closed in place 7/1/98
245	302	2353	13	291 Metropolitan Avenue	Arvy S/S Inc Getty & Shia Corporation	PBS UST	Tank ID 001 - 550 gal unleaded gasoline, administratively closed 4/1/95
							Tank ID 002 - 550 gal unleaded gasoline, administratively closed 4/1/95
							Tank ID 003 - 550 gal unleaded gasoline, administratively closed 4/1/95
							Tank ID 004 - 550 gal unleaded gasoline, administratively closed 4/1/95
							Tank ID 005 - 550 gal unleaded gasoline, administratively closed 4/1/95

TABLE 11-2

PROPERTIES LISTED IN ENVIRONMENTAL DATABASES
GREENPOINT-WILLIAMSBURG REZONING

Site	EDR Map ID	Block	Lot	Address	Responsible Party	Database	Comment
251	270	2358	29	123 Metropolitan Avenue	Seasons Fuel Co.	Spills	Spill #9610173 on 11/13/96, 5 gal of No. 2 fuel oil, closed 11/14/96
255	239	2363	3	215 Kent Avenue	Emulsion Systems Inc.	FINDS	Facility Registry system, Toxic Chemical Release Inventory
						PBS AST	Tank ID-OIL - 1,500-gal No. 1, 2, or 4 fuel oil in service
					Bliss & Tannenbaum L.P.	CBS UST	4,000 gal UST for styrene, temporarily out of service
			2	219 Kent Avenue	Gleem Industries	FINDS	Facility Registry System, National Compliance Database
						SSTS	Disinfectant, germicide, sanitizer
258	267	2363	26	280 Wythe Avenue	Unico Truck Repair Corner Inc.	PBS AST	250 gal. used oil, no close date
259	268	2364	17	136 Metropolitan Avenue	Coastal Oil Co.	Spill	Spill #8910310 on 1/27/90, 70 gallons of No. 2 oil, closed 12/8/92
266	305	2368	1	322 Metropolitan Avenue	Athletic Novelties Mfg. Co.	SQG, FINDS	SQG No Violations, FRS, RCRA INFO
272	311	2369	19	402 Metropolitan Avenue	Alseal Used Car Sales	PBS UST	Tank ID 016 - 550 gal used oil in service
							Tank ID 001 - 4,000 gal unleaded gasoline, in service
							Tank ID 002 - 550 gal unleaded gasoline, in service
							Tank ID 003 - 550 gal unleaded gasoline, in service
							Tank ID 004 - 550 gal unleaded gasoline, in service
					Unknown Owner	LTANKS	Spill # 9213355, update of spill #9212269, unknown volume of gasoline, on 3/2/93, closed 5/4/95
					Unnamed Facility	NY Spills	Spill # 8808650, reported 2/01/89, closed 2/28/89
					Dital Energy Corporation	FINDS	AIRS/AFS, FINDS
273	321	2369	27	20 Marcy Avenue	Mercury Cleaners	SQG	Conditionally exempt SQG - No violations
						FINDS	Airs Facility Registry, Facility Registry System, RCRA INFO
275	327	2369	40	55 Hope Street (53-65)	Unnamed Facility	SPILLS	Spill #0008211, 10 gal of No. 4 oil, on 10/13/00, not closed.
						PBS AST	Tank ID 001 - 3,500 gal of No. 5 or 6 fuel oil in service
				53 Hope Street	John Orban & Co	SQG	SQG - No violations
						FINDS	Facility Registry System, RCRA INFO
				Hope Street (53-65)	Unnamed Facility	HMIRS	No Information Provided
276	330	2371	10	470 Rodney Street	Matarese Realty Co	PBS UST	Tank ID 007 - 550 gal empty, closed in place 4/1/97
							Tank ID 008 - 550 gal, empty, closed in place 4/1/97
							Tank ID 001 - 4,000 gal unleaded gasoline, closed prior to 4/91, in place or removed
							Tank ID 002 - 550 gal diesel, closed prior to 4/91, in place or removed
							Tank ID 003 - 550 gal diesel, closed prior to 4/91, in place or removed
			5	468 Rodney Street		PBS UST	Tank ID 007 - 550 gal empty, closed in place 4/1/97
							Tank ID 008 - 550 gal empty, closed in place 41//97
							Tank ID 001 - 4,000 gal unleaded gasoline, closed prior to 4/91, in place or removed
							Tank ID 002 - 550 gal diesel, closed prior to 4/91, in place or removed
							Tank ID 003 - 550 gal diesel, closed prior to 4/91, in place or removed
281	325	2372	5	433 Union Avenue	Gulf Oil	NY Spills	Spill # 9800933, reported 4/21/98, closed 5/11/98

TABLE 11-2

PROPERTIES LISTED IN ENVIRONMENTAL DATABASES
GREENPOINT-WILLIAMSBURG REZONING

Site	EDR Map ID	Block	Lot	Address	Responsible Party	Database	Comment
282	315, 324	2372	9	447 Union Avenue	Fremro Services Inc.	PBS UST	Tank ID 004 - 550 gal used oil, temporarily out of service
					Richmond Petroleum	FINDS	ICIS, Facility Registry System
					Gulf Service Station	PBS UST	Tank ID 001 - 3,000 gal unleaded gasoline, in service
							Tank ID 002 - 3,000-gal unleaded gasoline, in service
							Tank ID 003 - 3,000 gal diesel fuel, in service
							Tank ID 004 - 550 gal other product stored, in service.
284	330,339	2374	7	34 Ainslie Street	Con Edison	NY Spills	Spill # 9613561, reported 2/19/97, closed 6/8/98
							Spill # 9501140, reported 4/24/95, no close date
292	260	2378	1	237 Kent Avenue	King Collision	SQG	SQG - No violations
						FINDS	Facility Registry system, RCRA INFO
295	275	2378	21	296 Wythe Avenue	Triboro Shelving & Partition	SQG	SQG - No violations
						FINDS	Facility Registry System, National Toxic Inventory, RCRA INFO, AIRS Registry System
					Unnamed Facility	NY Spills	Spill # 8803014, No. 4 oil, reported and closed on 7/6/88
305	331	2384	8	62 Hope Street	62 Hope Street Buildging	FINDS	FRS, AIRS
307	346	2386	12	130 Hope Street	DC Center Corp	SQG, FINDS	SQG with 1 violation, AIRS/AFS, FRS, RCRA INFO
310	370	2399	1	351 South 1st Street	Shell Oil	SQG, FINDS	SQG No Violations,
						PBS UST	Tank ID 001 4000 gal unleaded gasoline, In Service
							Tank ID 002 4000 gal unleaded gasoline, In Service
							Tank ID 003 4000 gal unleaded gasoline, In Service
							Tank ID 004 550 gal No. 1,2 or 4 Fuel Oil, In Service
						PBS AST	Tank ID 005 240 gal waste oil, In Service
						NY Spills	Spill # 9608624, reported 10/10/96, no close date
316	292	2404	1	303 Wythe Avenue	Lexa Metal Corp.	SQG	SQG - No violations
						FINDS	Facility Registry System, RCRA INFO
326	350	2442	25	338 Berry Street	Karl & Gail Inc	SQG, FINDS	SQG-No violations, FRS, RCRA INFO
328	345	2443	13	100 South 4th Street (98-116)	El Puente	VCP	Facility ID - V00094-2.
				100 South 4th Street (104-114)	Camin Industries Inc.	SQG	SQG - No violations
						FINDS	Facility Registry System, RCRA INFO
				100 South 4th Street (104)	Unnamed Facility	SPILLS	Spill #8602718 on 7/25/86, no spill volume reported, fuel oil, closed 7/25/86.
				100 South 4th Street (98)		SPILLS	Spill #9611887, 2 borings with SVOCs 1,200-1,500 ppb reported on 1/97, old adhesives manufacturing facility, additional work recommended, not closed.
332	371	2444	11	141 South 5th Street	Kvest LLC	Spills	Spill # 9501027, reported 4/25/95, 1 gal. of gasoline, closed 4/25/95
						PBS UST	Tank ID 1 - 2,500 gallon of 1, 2 or 4 oil, closed in place 3/1/99

National Priority List Deletions (Delisted NPL)
Material Licensing Tracking System (MLTS)
Mines Master Index File (MINES)
Federal Superfund Liens (NPL Liens)
Brownfields Sites
Department of Defense Sites (DOD)
Toxic Substance Control Act (TSCA)
RCRA Administrative Action Tracking System (RAATS)

Previous Investigations Summary

Phase I ESAs were completed at two of the projected development sites (Site 211 and Site 160.1) and the reports were available for review. Also, the New York City Department of Design and Construction (NYCDDC) contracted a consulting firm to prepare a Phase I ESA and a Limited Subsurface Corridor Investigation for the reconstruction of Franklin Street and Kent Avenue from Commercial Street in Greenpoint to the Brooklyn Queens Expressway in Williamsburg. A brief summary of each of these documents is provided below.

Site 211

A Phase I Environmental Site Assessment Report dated November 21, 2003 was prepared for Philip Habib & Associates by Fleming Lee Shue. The report documents recognized environmental conditions for Blocks 2277, 2287, 2294, 2301, and Lots 25 and 100 at Block 2590. Historic occupants of Site 211 include a petroleum distillery, bulk oil storage terminal, tin can manufacturing facility, coal gasification plant, and railroad terminal with a freight yard. Current occupants of Site 211 include Bayside Fuel Oil Company and Miller Environmental Group (Block 2277 Lot 1), New York City Department of Sanitation (Block 2287 Lot 1), CitiStorage (Blocks 2287 Lots 16 and 30, and 2294 Lots 1 and 5), and New York City Sheriff Department Scoff Law Program Redemption Facility (Block 2301 Lots 1, 50, 60, and 70).

In the Phase I Report, the property is identified as one RCRA large quantity generator (Trans Energy Systems LLC) and two small quantity generators (Bayside Fuel Oil and NYC Department of Sanitation), all with no violations reported, HSWDS (Williamsburg Works), SWF/LF (North 12th Street/Kent Avenue), Petroleum Bulk Storage (Brooklyn Garage with diesel, unleaded gasoline, kerosene, lube oil, and No. 1, 2, or 4 fuel oil), Major Oil Storage Facility (Bayside Fuel Oil Depot with two USTs and 13 ASTs having a combined storage capacity of 5,551,798 gallons of unleaded gasoline, diesel, No. 1, 2, or 4 fuel oil, and "other"), Chemical bulk storage UST and ASTs (Bayside Fuel Oil Depot containing toluene, and mixed xylene) and six separate spill incidents.

Phase II sampling of Block 2277 reportedly identified significant concentrations of petroleum constituents and metals typically associated with coal gasification sites. Phase II sampling of Block 2287 was limited, but identified impacted shallow soil and groundwater. Shallow impacted media was described as minimal at Block 2294. Significant amounts of coal ash were reported for Block 2301.

Recommendations provided in the Phase I report include addressing the significant evidence of impacted media through further sampling and delineation, considering the potential end use of the site. If the site is to be redeveloped as a park, a cap, paving, or buildings were identified for potential end user protection. At Block 2277, the oil storage/distillery operation has entered into a voluntary cleanup agreement with NYSDEC.

Site 160.1

A Phase I Environmental Site Assessment for the property at 51-63 North 8th Street (Site 160.1) was prepared by Singer Environmental Group Ltd., for Broadway Stages on June 3, 2002. According to this Phase I report, the property has been used for manufacturing, office, and warehouse uses since at least 1951. Other uses from 1951 to 1996 included commercial space, storage, and "dipping". In 1951 and 1942, ash cans were manufactured at this site. Prior to 1942, the site was used by American Kalamein Works for fire proof door manufacturing and by E.E. Wirth & Company as a chalk mill. According to Singer, the site is not listed in any environmental database reports.

In the report, Singer identified non-friable suspect asbestos containing material on the first floor of the building and a gas vent on the roof of the garage. A 3,000 gallon oil storage tank encased in concrete was identified during the inspection and recommended for abandonment. A gasoline tank was also identified in the garage area on a historic Sanborn map.

Singer identified the above ground fuel oil storage tank, the suspect gas tank in the garage with the vent on the roof, and the manufacturing operations over the past 90 years as recognized environmental conditions for this property.

Following the Phase I report, a ground penetrating radar survey of the garage area occurred to locate potential underground storage tanks. According to the GPR operator's report, no subsurface anomalies consistent with an underground storage tank were detected. The report further identifies the vent pipe on the garage roof as associated with the above ground fuel oil tank.

DDC Phase I ESA/Limited Subsurface Corridor Report

New York City Department of Design and Construction contracted STV Incorporated and Urbitran Associates to prepare a Phase I Environmental Site Assessment Report and EMTEQUE Corporation to prepare a Limited Subsurface Corridor Investigation Report. These reports document conditions along Franklin Street and Kent Avenue from Commercial Street in the north to the Brooklyn Queens Expressway to the south, consisting of approximately 50 city blocks, for the construction of a water main and sewer line. The Phase I ESA was dated October 2002 and the Subsurface Report was dated January 2003.

The Phase I Report (STV Incorporated/Urbitran Associates, October 2002) identified numerous recognized environmental conditions along the corridor including ruptures in fuel oil pipelines, petroleum product from unknown sources in manholes, vaults, and switchboxes, gasoline service stations and repair shops, heavy industry and factories, freight yards and bulk oil storage terminals adjacent to the corridor. From these recognized environmental conditions, ten areas of concern (AOC) were identified, of which seven are within the proposed Greenpoint-Williamsburg rezoning area. These AOCs within the proposed action area are identified as follows:

AOC 4: West Side of Kent Avenue from Grand Street to North 5th Street
AOC 5: Intersection of Kent Avenue and Grand Street
AOC 6: Adjacent to the West Side of Kent Avenue from North 3rd Street to Grand Street
AOC 7: Kent Avenue between North 3rd and North 15th Street
AOC 8: Intersection of Franklin Street and Quay Street
AOC 9: Intersection of Franklin Street and Oak Street
AOC 10: Franklin Street from Huron Street to Commercial Street

The basis for these areas of concern varies and typically includes current and historic land use, environmental incidents or database listing, or observations during the site reconnaissance. At AOC 4, underground oil vaults, two 400,000 gallon fuel oil USTs, and reports of petroleum product in manholes were noted. A former gasoline service station, an active spill, and companies such as Radiac Research with its several RCRA violations and Fyn Paint with documented solvent impacted soil and groundwater monitoring wells were identified for AOC 5 (Note that Fyn Paint should actually be in AOC 6). Spills associated with the NEPCO OIL Terminal were noted at AOC 6. At AOC 7, Bayside Fuel Oil Depot, the Brooklyn Union Gas coal gasification plant, railroad terminals and freight yards, numerous ruptures of underground fuel oil lines, and reports of petroleum product from unknown sources in manholes, vaults, and switchboxes were noted. A former filling station and spills associated with W. H. Christian and Sons were identified as recognized environmental conditions for AOC 8. At AOC 9, a corroded pipeline which released 3,000 gallons of No. 6 fuel oil was reported. Filling stations, repair shops, fuel oil pipeline ruptures, and petroleum product from unknown sources were identified for AOC 10. The Phase I Report recommended that soil sampling should occur prior to excavation activities to assess the impact to soil for worker safety, and that groundwater samples be collected for potential dewatering activities.

Therefore, NYCDDC contracted EMTEQUE Corporation to investigate subsurface conditions along this corridor (EMTEQUE, January 2003). The investigation was based on the identification of 39 properties along the corridor that were deemed to have a high potential impact on subsurface conditions. Borings were advanced at 84 locations to maximum depths of 25 feet below ground surface with composite and grab samples collected for analyses of volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), Priority Pollutant metals (PP Metals), Toxicity Characteristic Leaching Procedure (TCLP) parameters, polychlorinated biphenyls (PCBs), total petroleum hydrocarbons (TPH), and ignitability, corrosivity, and reactivity. During this investigation, 18 monitoring wells were also installed and groundwater samples were collected from these wells and four pre-existing wells for NYCDEP effluent parameters for Sanitary or Combined sewers. The report identifies 13 properties where VOCs exceeded NYSDEC standards/guidance values, 15 properties where SVOCs exceeded standards/guidance values, and 37 properties where metals exceeded NYSDEC cleanup objectives (TAGM 4046). Of the 22 groundwater samples, 18 had concentrations that exceeded NYCDEP limitations. The sample collected adjacent to 230 Kent Avenue (Fyn Paint) was reported to have very high concentrations of toluene, naphthalene, and oil & grease. One soil sample analyzed for TCLP parameters in Segment 8 (adjacent to 201 Franklin Street) was reported to have a high lead concentration (4.53 mg/l), although below the RCRA regulatory limit of 5 mg/l).

C. THE FUTURE WITHOUT THE PROPOSED ACTION (NO-ACTION)

Within the proposed action area, little manufacturing development has occurred over the last two decades, even with the presence of available vacant sites. In the past 10 years, nearly no new industrial buildings have been constructed, and much industrial space has been converted to residential use. Recent development trends away from manufacturing and toward residential use are expected to continue in the future without the proposed action, and as a result, the development of new manufacturing is unlikely. However, large waterfront parcels could be used for a variety of industrial or commercial uses as-of-right.

New residential uses are prohibited in M1 and M3 districts, precluding as-of-right residential development or conversion. In the Special Northside Mixed Use District (M/R), only limited residential construction is allowed as-of-right with larger developments allowed by special permit, while residential conversion of industrial buildings is prohibited. The Special Franklin Street and Northside (M/R) Mixed Use districts permit enlargement of underbuilt residential buildings pursuant to R6 regulations. However, such enlargements have not occurred within the proposed action area in recent years, and are therefore not considered likely to occur in the no-action condition.

As described in Chapter 1, "Project Description," absent the proposed action, it is projected that some new housing units would be constructed, converted, or reactivated on some of the 76 projected development sites by the Analysis year of 2013, including several variances that have been approved for new residential units in areas where zoning does not currently permit new residential uses. In addition, some residential development was identified on some of the potential development sites in the No-Action condition.

Small retail stores are permitted as-of-right in M1 and M3 districts, and within the M/R portion of the Special Northside Mixed Use District. In all zoning districts currently mapped in the proposed action area, buildings designed for non-residential use may be converted to retail use as-of-right provided they have not been vacant for more than two years. As discussed in Chapter 1, "Project Description," absent the proposed action, it is estimated that some commercial space would be created in new residential buildings and in industrial buildings that convert to commercial use in the No-Action condition.

The future conditions without the proposed action could involve building construction, additions and conversions. Construction of new buildings for as-of-right uses under the current zoning may occur without proper regulatory oversight such that environmental conditions on these sites are not properly addressed. Without enforcement of environmental regulations, residual contamination could be encountered by construction workers or the general public without their knowledge. Similarly, construction and demolition material or impacted soil may be improperly disposed. The existing conditions typically observed at these sites include petroleum based contamination (i.e., petroleum bulk storage tanks and spills) and non-petroleum based contamination (i.e., metals from iron works, volatile organics from paint factories, PCBs from transformers, etc.). Each of these contaminants have associated human health concerns that vary based on the specific contaminant. If the materials impacted by these contaminants are not properly handled either on-site, in transit, or at a disposal facility, there could be some effect to those who come in contact with the materials by inhalation, ingestion or dermal contact.

D. THE FUTURE WITH THE PROPOSED ACTION (WITH-ACTION)

The hazardous materials assessment presented herein has identified that each of the projected and potential development sites has some associated concern regarding environmental conditions. As a result, the proposed zoning map actions include (E) designations for all projected and potential development sites, with the exception of Site 211, which is proposed to be mapped as a park and acquired by the City.

Site 211 had a history that included use as an oil refinery and later bulk petroleum storage, a manufactured gas plant and a rail yard. Testing on this site has confirmed the presence of contaminants consistent with the cited historic use of the site. The northern portion of the site (Block 2277, Lot 1) is currently under a Voluntary Cleanup Agreement with the State. Under Scenario B, the Volunteer, TransGas, would perform a cleanup to the satisfaction of the State for this site. Because TransGas is not the party responsible for the contamination, their cleanup would be limited to the boundaries of the site (Block 2277, Lot 1).

The portion of Site 211 that was the Williamsburg Gas Works (Block 2287, Lots 1, 16, and 30) is contaminated with chemicals consistent with the use of the site as a manufactured gas plant. The responsibility for remediation of this site has been determined by the New York State Department of Environmental Conservation to be Keyspan Energy. An agreement between the State and Keyspan for the remediation of this site is currently being negotiated. Under Scenario A, the obligation of Keyspan Energy to remediate the site would be included in the acquisition proceeding, either as a deduct of the remediation cost from market value or consideration of the park development schedule with the remediation schedule agreed to between Keyspan and the State. This later option would have Keyspan accelerate their remediation of the site to meet the park development schedule.

Testing results show that the historic site activities had little to no impact on the southern portion of Site 211 (Block 2294, Lots 1 and 5, and Block 2301, Lots 1, 50, 60 and 70).

Under Scenario A, the City has three options: 1) remediate the site at the City's direction and negotiate the purchase of the property considering the remediation costs that were undertaken, 2) purchase the site and enter the Environmental Restoration Program under the Brownfield Cleanup Program for 90% funding by the State of New York considering the proposed end use, or 3) have the property owner remediate the site before the City takes ownership.

Table 11-3 provides an (E) designation summary for each of the 339 sites that were investigated as part of this work scope. As previously stated, the (E) designation is based on whether the projected and potential development sites may have been adversely affected by current or historical uses at, adjacent to, or within 400 feet of the sites. In determining whether a site is (E) designated, site conditions and history was given the first consideration, followed by the adjacent site use or history, and finally the sites within the 400 foot radius. If a site was (E) designated based on existing or historic conditions, the determination did not continue to adjacent sites or sites within 400 feet. Similarly, if a site was (E) designated based on adjacent site conditions, the determination did not extend to the 400 foot radius. Only when the site or adjacent site conditions or history did not indicate a cause for (E) designation did the determination extend to the 400 foot radius.

A site may have more than one condition that would lead to an (E) designation. However, once conditions were identified that resulted in an (E) designation, no further investigation was conducted. Table 11-3 provides information that was identified for the (E) designation. The (E) designation cause that is listed in the table is not necessarily the most significant concern for the site, but merely an identified condition leading to the designation.

Sites that were (E) designated based on either adjacent site conditions or conditions at sites within 400 feet may or may not have an on-site condition that would have led to the (E) designation. An on-site condition that would lead to an (E) designation may be identified following further review.

The results of this investigation show that 267 sites (out of 339, not including Site 211), or 78.7%, were (E) designated based on a condition identified at the site. Adjacent site conditions resulted in an (E) designation for 53 sites (15.6%). Conditions at a property within 400 feet of a site resulted in 19 sites (5.6%) being (E) designated. There are no sites in this investigation that did not result in an (E) designation. In summary, (E) designations are required on all 339 projected an potential development sites in the proposed action area.

By placing (E) designations on sites where there is a known or suspect environmental concern, the potential for an adverse impact to human health and the environment resulting from the proposed action would be reduced. The (E) designation provides the impetus to identify and address environmental conditions so that significant adverse impacts during site development would be reduced. The New York City Department of Environmental Protection would provide the regulatory oversight of the environmental investigation and remediation during this process. Building permits are not issued by the Department of Buildings without prior DEP approval of the investigation and/or remediation pursuant to the provisions of Section 11-15 of the Zoning Resolution (Environmental Requirements).

The (E) designation would require that the fee owner of such a site conduct a testing and sampling protocol and remediation where appropriate, to the satisfaction of the NYCDEP before the issuance of a building permit. The (E) designation also includes a mandatory construction-related health and safety plan which must be approved by NYCDEP.

For an (E) designated site, the following tasks must be undertaken by the fee owners of the sites that are restricted under this designation:

Task 1 - The applicant must submit to the NYCDEP Office of Environmental Planning and Assessment (OEPA), for review and approval, a soil and groundwater testing protocol including a description of methods and a site map with all sampling locations clearly and precisely represented.

No sampling program should begin until written approval of a protocol is received from DEP. The number and location of sample sites should be selected to adequately characterize the site, the specific source of suspected contamination (i.e., petroleum based contamination and non-petroleum based contamination) and the remainder of the site's condition. The characterization should be complete enough to determine what remediation strategy (if any) is necessary after review of sampling data. Guidelines and criteria for selecting sampling locations and collecting samples will be provided by DEP upon request.

Task 2 - A written report with findings and a summary of the data must be submitted to DEP after completion of the testing phase and laboratory analysis for review and approval. After receiving such tests results, a determination will be made by DEP if the results indicate that remediation is necessary.

If DEP determines that no remediation is necessary, written notice shall be given by DEP.

If remediation is indicated from the test results, a proposed remediation plan must be submitted to DEP for review and approval. The applicant must complete such remediation as determined necessary by DEP. The applicant should then provide proper documentation that the work has been satisfactorily completed.

A DEP-approved construction-related health and safety plan would be implemented during excavation and construction activities to protect workers and the community from potentially significant adverse impacts associated with contaminated soil and/or groundwater. This Plan would be submitted to NYCDEP for review and approval prior to implementation.

TABLE 11-3
(E)-Designation Site Summary Table
Greenpoint-Williamsburg Rezoning, CEQR # 04DCP003K

Site	Block(s)	Lot(s)	Site Area (sq. feet)	Site Type	Basis for (E)-Designation	
					Source	Comments Regarding (E)-Designation Cause
1	2472	410	106,036	Potential	On Site	SQG, tank in service, closed tank, closed spills
2	2472	425	123,206	Potential	On Site	LQG with violations, tank and leaking tank
3	2494, 2502, 2472, 2520, 2510	1, 1, 2, 57, 1	963,253	Projected	On Site	Open spill on Site, former lithograph manufacturing, auto repair
3.1	2472, 2494	32, 6	137,311	Potential	On Site	Sludge tank on site.
3.2	2472	100	266,579	Potential	On Site	Former Towing and Auto Repair
4	2482	1, 4, 6	5,265	Potential	On Site	Historic filling station at Lot 1, junk storage at Lot 4
5	2482	7, 8	7,008	Potential	On Site	Historic iron works, closed spill on Site
6	2482	53	9,270	Potential	On Site	Historic iron works, glazing and metal products
7	2482	21	24,200	Potential	On Site	Former transit car repair shop
8	2482	39, 26	38,300	Potential	On Site	Historic transit car barn, tank at lot 26
9	2483	61, 62	5,000	Potential	On Site	Historic paint shop, tank at lot 62
10	2483	11,12	5,000	Potential	Adjacent	Tank at adjacent Site 9 lot 62
11	2483	14, 15	7,500	Potential	On Site	Machine Shop at lot 15
12	2483	20, 19, 17	10,000	Potential	On Site	Metal Works at lot 17
13	2483	60, 59	5,000	Potential	On Site	Auto repair, historic iron works at lot 50
14	2483	48	5,000	Potential	On Site	Suspect tank, historic plastic product manufacturing
15	2483	25	10,000	Potential	On Site	Historic truck repair and gasoline tank
16	2483	45	7,500	Potential	Adjacent	unknown mfg, suspect tank at adjacent Site 14
17	2487	17, 20, 18, 21, 72, 10, 12	63,500	Potential	On Site	Historic iron works, film manufacturing, tank at lot 12
18	2503	1	57,775	Potential	On Site	Historic laundry service, closed tanks
19	2511	1	23,250	Projected	On Site	Historic Fur Dressing, above ground tank
20	2511	12, 14, 11	10,000	Potential	Adjacent	Suspect tank at adjacent Site 19
21	2511	31	5,000	Potential	On Site	SQG with 9 violations
22	2512	60	15,936	Projected	On Site	Former metal products manufacturing/processing
23	2512	52, 54	7,500	Potential	On Site	Suspect tank at lot 52
24	2520	1	57,475	Potential	On Site	Site occupied by Lithographs Mfg. Co., tank
25	2521	1	6,000	Potential	On Site	Cement product manufacturing on site
26	2521	6, 5, 7	5,500	Projected	Adjacent	Lithographs Manufacturing at adjacent Site 24
27	2521	11, 12, 13	7,500	Potential	On Site	Auto repair, suspect tank at lot 13
28	2521	32	5,625	Potential	Within 400 ft	Tank at Site 29
29	2521	19	2,500	Projected	On Site	Tank on Site
30	2522	10	5,000	Projected	Within 400 ft	Tank at Site 29, Historic Iron & Steel east of lot
31	2522	16, 18	16,575	Potential	On Site	Historic iron works on Site
32	2522	24	20,536	Projected	On Site	PBS UST on site, historic iron and steel company
33	2522	31	17,217	Projected	On Site	Two historic gasoline tanks on Site
34	2530	55, 56, 1	112,956	Potential	On Site	Historic iron works, paper manufacturing, SQG, tank
35	2531	1, 2, 3	7,500	Potential	On Site	Tank at lot 3
36	2531	110, 10, 9	5,625	Potential	Adjacent	Tank at adjacent Site 37 lot 12
37	2531	12	5,000	Potential	On Site	Tank on site
38	2531	36, 35	5,000	Potential	Adjacent	Tank at adjacent Site 37 lot 12
39	2531	20	6,262	Projected	Within 400 ft	Machine shop at Site 40
40	2532	1	9,500	Potential	On Site	Machine shop, historic auto repair with gas tanks
41	2538	1	108,843	Potential	On Site	Historic shipping waterfront
42	2539	1, 8	17,300	Potential	On Site	Historic and suspect tanks at lots 1 and 8
43	2539	29, 27	7,491	Projected	On Site	Tank at lot 27
44	2543	1	102,390	Potential	On Site	Taxi Garage and SQG with violations, TRIS
45	2549	1	19,984	Projected	On Site	PBS AST on site, historic brass foundry
46	2549	10	9,120	Potential	On Site	Historic lead pencil manufacturing on Site
47	2549	14	10,050	Potential	On Site	Packaging manufacturer on site
48	2549	25	4,750	Potential	Adjacent	Tanks at adjacent Sites 54 and 55
49	2549	28	9,950	Potential	On Site	PBS AST, leaking tanks, spill # 9908120
50	2549	36	10,100	Potential	On Site	Historic pencil manufacturing with paint mixing

TABLE 11-3 (continued)
(E)-Designation Site Summary Table
Greenpoint-Williamsburg Rezoning, CEQR # 04DCP003K

Site	Block(s)	Lot(s)	Site Area (sq. feet)	Site Type	Basis for (E)-Designation	
					Source	Comments Regarding (E)-Designation Cause
51	2556	46, 45	22,262	Potential	On Site	Tank at lot 46
52	2556	57, 58, 55	12,473	Potential	On Site	VCP at lot 57
53	2557	1, 3	17,578	Potential	On Site	SQG, tank and laboratory at lot 1
54	2557	7	23,300	Potential	On Site	Historic lead pencil manufacturer on Site
55	2557	24	30,825	Projected	On Site	Tank, SQG, historic pencil manufacturer on Site
56	2567, 2570, 2556, 2564	1, 36, 1, 1	478,896	Potential	On Site	AST at Block 2564, PBS AST at 2557 lot 24
57	2562	1, 10	19,544	Projected	On Site	Historic auto repair, filling station on site
58	2562	39, 37	6,578	Potential	On Site	Historic machine shop, tanks at lots 37 and 39
59	2562	29	15,000	Potential	On Site	Tanks on site, historic steel drum cleaning/storage
60	2565	1	40,000	Projected	On Site	Suspect tank on site, historic foundry, terminal
61	2568	1	79,000	Potential	On Site	55 gallon drums on site
62	2570	1	323,781	Potential	On Site	AST, UST, SQG, leaking tanks, trucking terminal
63	2571	1, 9	19,750	Potential	On Site	Historic iron works at Lot 1
64	2571	18	5,000	Potential	Adjacent	55 gallon drum at adjacent Site 61
65	2589	5	17,550	Potential	On Site	Suspect tank, historic iron works, paint spraying
66	2589	13	18,537	Potential	On Site	Historic foundry on Site
67	2590	1	79,843	Potential	On Site	2 PBS USTs, historic steel product manufacturing
68	2590	210, 222, 215	37,937	Potential	On Site	Historic auto repair, gas tanks, SQG, Spills
69	2644	43	5,000	Potential	On Site	Tank, former auto repair at Site
70	2679	46	15,000	Potential	Adjacent	Historic ash receiving facility west of lot
71	2697	16	5,689	Potential	On Site	Auto repair, suspect tank, historic filling station
72	2697	7	8,000	Potential	On Site	Furniture finishing, historic filling station, suspect tank
73	2697	1	6,868	Potential	On Site	Jewelry manufacturing, SQG, historic filling station
74	2698	1	13,789	Potential	On Site	Auto repair, suspect and historic tanks on site
75	2698	5	5,000	Potential	On Site	Suspect tank historically on Site
76	2698	7	10,200	Potential	On Site	Suspect tank, historic lacquer spraying on site
77	2698	15, 11	7,900	Potential	On Site	Historic and suspect tank at lot 11
78	2698	25, 26	12,143	Potential	On Site	2 CBS ASTs, SQG, TRIS
79	2699	9	6,401	Potential	On Site	SQG, former CBS-AST (TCE) on site
80	2699	15, 17	8,212	Potential	On Site	Historic printing operations at Lot 15
81	2701	2, 1, 50	6,404	Potential	On Site	Automobile engine cleaning, car wash on site
82	2713	13, 9	14,745	Potential	On Site	Historic filling station at Lot 13
83	2713	1	7,183	Potential	On Site	Auto repair/filling station on Site
84	2714	33	10,020	Potential	Adjacent	Tank, motor freight station at adjacent Site 85
85	2714	13	12,500	Potential	On Site	Fuel oil company, tank on site
86	2714	30, 32	6,656	Potential	On Site	Historic motor freight station at Lot 32, suspect tank
87	2719	8, 11, 4, 1	11,668	Potential	On Site	Historic iron works, plastic tank and drum storage
88	2719	13, 16, 14	10,000	Potential	On Site	Historic paint mfg, motor freight station, open spill
89	2719	32, 31	8,625	Potential	Adjacent	Open spill at adjacent Site 88
90	2720	9, 10, 12	6,405	Potential	Within 400 ft	Open spill at Site 88
91	2720	41, 19	8,350	Potential	Within 400 ft	Filling station at Site 96
92	2720	44, 43, 46, 45	8,900	Potential	On Site	Suspect tank at Lot 46
93	2724	1, 33, 34, 37, 30, 31	19,920	Potential	On Site	Listed as CERC-NFRAP, SQG, tank at lot 1
94	2724	10, 12, 7	9,800	Potential	On Site	Automotive Repair at Lot 7
95	2724	18	8,800	Potential	Within 400 ft	Automotive Repair at Site 94 lot 7
96	2727	47, 1	23,181	Potential	On Site	Filling station at lot 1, spill, SQG, PBS
97	2289	14	36,000	Potential	On Site	Historic NY Quinine & Chemical on Site
98	2290	5	12,860	Projected	On Site	Solid Waste, feather processing on site
99	2290	10	2,500	Potential	On Site	Suspect tank on site
100	2291	1	10,000	Projected	On Site	Former Reicholds Chemical Inc. ~1942-~1996
101	2291	17	20,000	Potential	On Site	Former paint manufacturing on site ~1996-~1951
102	2292	33, 29	12,500	Projected	On Site	Historic auto body building, auto repair at lot 33
103	2292	12, 11	10,000	Potential	On Site	Historic metal reducing at Lot 12
104	2721	8	5,000	Potential	On Site	Historic scrap metal activities on Site

TABLE 11-3 (continued)
(E)-Designation Site Summary Table
Greenpoint-Williamsburg Rezoning, CEQR # 04DCP003K

Site	Block(s)	Lot(s)	Site Area (sq. feet)	Site Type	Basis for (E)-Designation	
					Source	Comments Regarding (E)-Designation Cause
105	2721	11	69,000	Projected	On Site	PBS UST, open spill #9801444
106	2722	36, 34	7,500	Potential	On Site	Auto repair, suspect tank at lot 34
107	2722	8	5,000	Potential	On Site	Paint storage, historic electric motor repair on lot
108	2722	10	7,500	Projected	On Site	Historic scrap iron yard on Site
109	2722	16, 13, 15	12,500	Potential	On Site	Machine shop at Lot 13, historic foundry at Lot 16
110	2722	19	5,000	Projected	On Site	Historic filling station on Site
111	2722	21	10,000	Projected	On Site	5 closed and removed PBS USTs and SQG
112	2722	25	5,000	Potential	On Site	gasoline tanks historically on Site
113	2723	1	10,000	Potential	On Site	Furniture manufacturing, historic acid tanks on site
114	2723	7, 5	15,000	Potential	On Site	Suspect clothing manufacturing at Lot 7
115	2723	30, 29	5,000	Potential	Within 400 ft	Auto wrecking at adjacent lot 33
116	2723	33, 36	5,458	Potential	Adjacent	PBS AST at adjacent Site 117 lot 38
117	2723	38, 37	17,500	Potential	On Site	PBS AST at lot 38
118	2296	14	45,000	Potential	On Site	Tank, historic iron works on site
119	2297	5	29,450	Projected	On Site	PBS AST and open spill #9514404
120	2297	1	5,000	Potential	On Site	LQG, PBS UST, Spill #9902614
121	2298	31	5,000	Potential	Within 400 ft	Suspect tank at Site 123
122	2298	29	10,000	Potential	Adjacent	Suspect tank at adjacent Site 123
123	2298	13	10,000	Potential	On Site	Metal works, suspect tank on site
124	2298	21	10,000	Potential	On Site	Historic auto repair, gasoline tank, suspect tank
125	2299	1	20,000	Projected	Adjacent	Auto repair at adjacent Site 102
126	2299	9	38,000	Potential	On Site	Historic chemical warehouse
127	2299	21	18,000	Potential	On Site	3 CBS ASTs on site
128	2300	1, 5	7,500	Potential	On Site	Historic motor freight station, PBS AST at lot 5
129	2300	26, 20	23,775	Potential	On Site	Auto Repair at lot 20, historic coal company at Lot 26
130	2731	1	27,500	Projected	On Site	55 gallon drums on site
131	2731	45, 47, 44	10,000	Potential	On Site	Historic auto repair, machine shop, SQG at lot 44
132	2731	38, 41	6,225	Potential	On Site	Tank at lot 41
133	2731	36, 35	5,000	Potential	Adjacent	Tank at 33 Frost Street
134	2732	33	5,000	Potential	Adjacent	Suspect tank at adjacent Site 155 lot 11
135	2732	5	6,900	Potential	On Site	PBS UST, leaking tank on Site
136	2732	27, 30	15,000	Potential	On Site	Former dry cleaning at Lot 27
137	2733	6, 10, 7	10,323	Potential	On Site	Gasoline station, tanks at lot 7, closed spill
138	2734	5, 11, 3, 4, 7	17,855	Potential	On Site	Historic skin dressing at Lot 4, auto body at lot 11
139	2734	13	1,821	Potential	Adjacent	Auto body at adjacent Site 139 lot 11
140	2734	35, 38	8,070	Potential	On Site	Historic fur finishing, junk storage at Lot 35
141	2304	36, 37	5,000	Potential	Adjacent	Regulated transfer station at adjacent Site 142
142	2304	14, 10, 13, 12	10,000	Potential	On Site	Regulated transfer station at lot 10
143	2304	15	7,500	Projected	Adjacent	Regulated transfer station at adjacent Site 142
144	2305	17, 15, 16	7,500	Potential	On Site	Historic metal cap stamping, chemical company
145	2305	18	35,000	Projected	On Site	Historic glass works on Site.
146	2306	30, 15, 1, 28, 11, 27	50,002	Potential	On Site	Historic auto repair, motor freight station, SQG
147	2306	9	5,000	Potential	On Site	Historic auto repair on Site
148	2306	18	10,950	Projected	On Site	Suspect tank, historic paint factory on site
149	2307	33, 38, 31, 36	22,450	Projected	On Site	Historic varnish manufacturing, machine shop
150	2307	1	30,000	Potential	On Site	Suspect tank, historic chemical shop, iron works
151	2307	16, 14, 19	15,125	Potential	On Site	Historic metal scrap at Lot 14, auto painting
152	2307	25, 27	14,750	Potential	On Site	Historic metal works at Lot 27
153	2736	48, 9, 1	35,073	Potential	On Site	Historic iron works, SQG at lot 1
154	2736	20, 23	9,997	Potential	On Site	Historic motor freight station, auto repair shop
155	2737	10, 11	5,800	Potential	On Site	Historic auto repair at Lot 10, filling station at Lot 11
156	2738	3, 5	8,600	Potential	On Site	Auto body shop, auto painting at lot 5
157	2738	10	5,462	Potential	Adjacent	Auto body shop at adjacent Site 156 lot 5
158	2738	13, 15	7,500	Potential	On Site	Suspect tank at lot 13, historic auto repair, gas tank
159	2738	24, 21	7,500	Potential	On Site	Tank at lot 21

TABLE 11-3 (continued)
(E)-Designation Site Summary Table
Greenpoint-Williamsburg Rezoning, CEQR # 04DCP003K

Site	Block(s)	Lot(s)	Site Area (sq. feet)	Site Type	Basis for (E)-Designation	
					Source	Comments Regarding (E)-Designation Cause
160	2309	5, 13	19,500	Projected	On Site	Historic coal yard and tank at lot 5
160.1	2309	1	18,000	Projected	On Site	Historic metal product manufacturer on Site
161	2309	17	25,000	Projected	On Site	Suspect tank, historic chemical warehouse on Site
162	2310	10, 9, 11	5,001	Potential	Within 400 ft	Suspect tank at Site 161
163	2312	22, 23	20,000	Projected	On Site	Historic transformer company and tank at lot 23
164	2313	1	7,800	Potential	On Site	Furniture manufacturing on Site
165	2313	7, 5	14,838	Potential	On Site	Historic lead and color company, suspect tank
166	2313	22, 13, 11	22,500	Potential	On Site	Auto junk yard at Lot 11, suspect tank at lot 13
167	2313	15	3,000	Potential	On Site	Tank on site
168	2313	23, 24, 26	7,500	Potential	On Site	Iron works at lot 26, historic gas tank at Lot 24
169	2313	29, 28, 27	7,531	Potential	On Site	Historic white lead and color works at Lot 29
170	2314	1	17,500	Potential	On Site	Tank, historic filling station on Site
171	2314	5	20,000	Projected	On Site	Tank on site, closed in place
172	2315	14	15,550	Potential	On Site	Historic mirror manufacturing on Site
173	2315	21	9,375	Potential	On Site	Historic junk yard on Site
174	2741	8, 3, 7	15,000	Potential	On Site	Auto repair, junk yard, suspect tank at lot 3, spills
175	2741	47	9,360	Potential	Adjacent	Suspect tank at adjacent Site 174 lot 3
176	2741	13	6,543	Potential	On Site	Two 55 gallon drums on site (contents unknown)
177	2741	15	5,000	Potential	Adjacent	Filling station at adjacent Site 177
178	2741	19	6,050	Potential	On Site	Filling station, tanks, closed spill
179	2742	4, 2, 5, 9	15,576	Potential	On Site	Historic motor freight station, suspect gas tank
180	2742	15	5,000	Potential	On Site	Historic furniture manufacturing on Site
181	2742	20, 17	12,500	Potential	On Site	Iron works at lot 17
182	2742	35	5,000	Potential	Adjacent	Suspect tank at adjacent Site 179 lot 2
183	2746	41, 42, 40	7,500	Potential	On Site	Fuel truck garage, tank at lot 42
184	2742	39	11,500	Potential	Adjacent	Tank at adjacent Site 183 lot 42
185	2317	7, 36, 3, 8, 5, 1, 6	20,722	Projected	On Site	Historic auto repair, gas tank, coal yard on Site
186	2317	13, 12	5,000	Potential	Adjacent	Suspect tank at adjacent Site 161
187	2317	17, 16	5,000	Potential	On Site	Painters equipment storage, drums on site
188	2317	18	10,000	Potential	Adjacent	Tanks at adjacent Site 201 lot 11 and 12
189	2319	31	19,740	Potential	On Site	Closed spill, FINDS, FTTS
190	2320	15	7,500	Projected	On Site	Open spill and PBS AST on site
191	2321	38, 36, 37	7,294	Projected	Within 400 ft	Open spill and suspect tank at Site 190
192	2321	14, 13	5,000	Potential	Within 400 ft	Multiple tanks at Blocks 2313 and 2314
193	2321	18	13,100	Projected	On Site	Historic machine shop on Site
194	2321	25	1,200	Projected	Adjacent	Suspect tank at adjacent Site 195
195	2322	1	12,500	Potential	On Site	Suspect tank on site
196	2322	6	12,500	Potential	Adjacent	Tank at adjacent Site 197, SQG at Site 197
197	2322	28, 10, 11, 30	32,567	Potential	On Site	paint spraying, tank at lot 10, SQG at lot 28, FINDS
198	2323	10, 9	15,983	Potential	On Site	Historic auto repair, tank at lot 10
199	2324, 2332	1, 1	294,100	Projected	On Site	Historic rail yard, tow yard, SQG, FINDS
200	2325	5, 103, 4	8,500	Potential	Adjacent	SQG and Tow yard at adjacent Site 199
201	2325	12, 11	7,500	Potential	On Site	Historic motor freight station, tanks
202	2325	26, 24, 25	7,500	Potential	On Site	gas tank at Lot 26, 55 gallon drums on lot 25
203	2325	27, 28, 29	7,500	Projected	Adjacent	55 gallon drums at adjacent Site 202 lot 25
204	2325	31, 32	5,000	Potential	Adjacent	Tanks at adjacent Site 201
205	2326	33, 32, 34, 35	9,700	Potential	Adjacent	Suspect tank at adjacent Site 206 lot 18
206	2326	19, 17, 18	18,333	Potential	On Site	Historic auto repair, suspect tank at lot 18
207	2327	2	10,495	Projected	On Site	Suspect tank on site
208	2327	4, 5	11,300	Projected	On Site	Former filling station, PBS UST
209	2327	18, 16, 17	6,900	Potential	On Site	Historic motor freight station at Lot 17
210	2327	34, 31, 19	1,233,485	Potential	On Site	PBS UST, spill # 8909928 at lot 19, CERCLIS

TABLE 11-3 (continued)
(E)-Designation Site Summary Table
Greenpoint-Williamsburg Rezoning, CEQR # 04DCP003K

Site	Block(s)	Lot(s)	Site Area (sq. feet)	Site Type	Basis for (E)-Designation	
					Source	Comments Regarding (E)-Designation Cause
211	2277, 2287, 2294, 2301, 2590	See Notes on last page	1,233,485	Projected	Not (E) - Designated	Site currently undergoing investigation, VCP, spills, coal gas
212	2331	7, 8	5,000	Potential	On Site	55 gallon drums stored at lot 8
213	2331	42	10,000	Potential	Adjacent	Star Soap and candle manufacturing adjacent to lot
214	2333	1	40,000	Potential	On Site	Suspect tank on site, historic railroad yard
215	2334	40, 50, 45, 1, 28, 3, 30	45,000	Projected	On Site	Historic rail yard, PBS UST on lot 40
216	2334	23, 22	10,036	Potential	Adjacent	PBS UST at adjacent Site 215 lot 40
217	2335	10, 6, 12	10,000	Potential	On Site	historic gas tank at Lot 10
218	2335	14, 13, 15	20,000	Projected	On Site	Historic auto repair with gas tank at Lot 13
219	2337	20	6,990	Potential	On Site	Tank, historic printing/auto repair on site
220	2338	1	1,582	Projected	Adjacent	Dry Cleaners adjacent to west
221	2339	7	7,920	Potential	On Site	Printing company on site
222	2340	1	214,329	Potential	On Site	C&D Recycling, SWF/LF, PBS, Spills, SQG
223	2341	9	54,850	Potential	On Site	Suspect carpet manufacturing
224	2342	1	47,600	Projected	On Site	SQG, FINDS on Site
225	2342	16	7,500	Potential	On Site	Auto repair on site
226	2342	23, 26	8,608	Potential	On Site	Historic motor freight station at Lot 23
227	2343	5	5,000	Projected	On Site	auto repair, 2 PBS USTs and open spill # 9706521
228	2343	18, 19	5,000	Potential	On Site	Historic machine shop, junk yard at Lot 18
229	2344	5	13,750	Potential	On Site	Furniture Manufacturing on site
230	2344	26	7,550	Projected	On Site	SQG, closed UST
231	2344	25	15,250	Potential	On Site	SQG, historic iron works on Site
232	2344	16	5,792	Potential	On Site	Suspect tank, historic foundry on Site
233	2346	30	11,325	Potential	On Site	Metal works on Site
234	2346	26	5,944	Potential	On Site	Tank, historic motor freight station on site
235	2349	1, 21, 15, 18	72,700	Projected	On Site	Historic freight yard, regulated transfer station, spill
236	2350	1	27,389	Projected	On Site	Historic printing operations on Site
237	2350	2	9,000	Potential	On Site	Historic printing operations on Site
238	2350	4	27,000	Potential	On Site	SQG, FINDS
239	2350	24	9,000	Potential	On Site	PBS UST, historic foundry on site
240	2350	26	27,511	Projected	On Site	Open spill on site
241	2351	40, 1	25,632	Potential	On Site	PBS UST closed in place
242	2351	28	15,753	Potential	On Site	PBS UST, FINDS
243	2352	20	7,500	Potential	On Site	Historic printing operations on Site
244	2353	6, 8	5,000	Potential	On Site	Two 55 gallon drums were observed at Lots 6 and 8
245	2353	26, 13, 28	11,807	Potential	On Site	Gasoline station, tanks at lot 13, closed tanks
246	2357	4, 1	22,975	Potential	Adjacent	Regulated transfer station at adjacent Site 235
247	2357	25	10,000	Potential	On Site	Suspect tank, historic paper product manufacturing
248	2357	18, 20, 22, 21, 24	13,694	Potential	On Site	Historic tank at Lot 24, suspect tank at lot 22
249	2358	1, 38	6,180	Potential	Adjacent	Suspect tank at adjacent Site 247
250	2358	4, 36	10,513	Potential	On Site	Historic metal products manufacturing, gas tank
251	2358	29, 6, 31	20,446	Potential	On Site	Historic tank at Lot 31, tank at Lot 29, closed spills
252	2358	11, 15, 14	9,819	Potential	Adjacent	Iron works at adjacent Site 254 lot 25
253	2358	22	5,550	Potential	Adjacent	Iron works at adjacent Site 254 lot 25
254	2358	25, 27, 24, 28	9,859	Potential	On Site	Iron works at lot 25
255	2363	3, 2	12,607	Potential	On Site	CBS UST and PBS AST, SQG, SSTS, TRIS
256	2363	38, 36	9,428	Potential	On Site	Possible tanks at lot 36 and 38
257	2363	9, 28	30,897	Potential	On Site	Historic junk yard, iron foundry at Lot 9
258	2363	26, 20	6,700	Potential	On Site	Auto repair, PBS AST at lot 26
259	2364	17	11,250	Potential	On Site	Tank at lot 17, AST at lot 16, closed spills
260	2366	1	7,950	Potential	Adjacent	Suspect tank at adjacent Site 261
261	2366	32	13,867	Potential	On Site	Suspect/historic tank on site

TABLE 11-3 (continued)
(E)-Designation Site Summary Table
Greenpoint-Williamsburg Rezoning, CEQR # 04DCP003K

Site	Block(s)	Lot(s)	Site Area (sq. feet)	Site Type	Basis for (E)-Designation	
					Source	Comments Regarding (E)-Designation Cause
262	2366	16, 21	8,633	Potential	On Site	Historic auto repair, tank, historic steel yard
263	2367	7	7,200	Potential	Adjacent	Tank at adjacent Site 262 lot 16
264	2367	15	6,400	Potential	On Site	Printing operations on Site
265	2367	27, 28	8,474	Potential	On Site	Automotive repair, historic battery service
266	2368	1	31,765	Potential	On Site	Tank and SQG on site
267	2368	19, 18, 21, 22	8,787	Potential	On Site	Automotive repair and AST on site
268	2368	28, 27, 26	5,073	Potential	Adjacent	Automotive repair and AST at adjacent Site 267
269	2368	31, 32, 34, 33	7,763	Potential	On Site	55 and 500 gallon plastic drums/tanks on site
270	2369	6, 4, 7	8,029	Potential	Adjacent	PBS AST, SQG, and spill at adjacent Site 275
271	2369	14	10,300	Potential	On Site	Historic oil can reclamation on Site
272	2369	19	17,604	Potential	On Site	Auto repair, 5 PBS USTs on site, closed spills
273	2369	27	5,800	Potential	On Site	Auto repair, SQG, FINDS on Site
274	2369	38, 37	6,302	Potential	Adjacent	PBS AST, SQG, and spill at adjacent Site 275
275	2369	40	20,313	Potential	On Site	PBS AST, SQG, spill # 0008211, HMRIS, FINDS
276	2371	3, 10, 5, 1	37,658	Potential	On Site	Steel product manufacturing, closed PBS UST
277	2371	33	8,575	Potential	On Site	Suspect tank, historic auto wrecking on site
278	2371	40, 42	16,135	Potential	On Site	Historic fur dyeing, suspect tank on lot 40
279	2371	48	5,050	Potential	On Site	Historic machine shop on Site
280	2372	1	5,750	Potential	On Site	Suspect tank, historic leather making on site
281	2372	5	10,184	Potential	On Site	Filling Station, 4 PBS USTs, closed spill
282	2372	9	5,282	Potential	On Site	Filling Station, 4 PBS USTs
283	2374	1	15,698	Potential	On Site	Historic machine shop, garage with gasoline tanks
284	2374	7	14,150	Potential	On Site	Former substation, open spill, closed spill
285	2374	27, 31, 28	11,462	Potential	On Site	Historic motor freight station with gas tanks
286	2375	1	5,000	Potential	Adjacent	Tank at adjacent Site 308
287	2375	5	7,500	Potential	On Site	Boiler repair shop on site
288	2375	10	5,060	Potential	On Site	Historic wire manufacturing on Site
289	2375	12	5,908	Potential	On Site	Historic wire manufacturing, suspect tank on site
290	2375	16	15,000	Potential	On Site	Historic wire manufacturing
291	2378	40	4,650	Potential	On Site	Former lacquer storage and filling station
292	2378	3, 2, 1	6,848	Potential	On Site	Auto repair, SQG at lot 1, FINDS
293	2378	11	15,800	Potential	On Site	Suspect tanks on site
294	2378	14	10,000	Potential	On Site	Historic blacksmith, fur dressing on Site
295	2378	21, 26	15,810	Projected	On Site	SQG, closed spill, historic blacksmith at lot 21
296	2378	29, 32	8,510	Potential	On Site	Historic hardware manufacturing at Lot 29
297	2378	35, 36	6,331	Potential	On Site	Suspect tank on site
298	2379	42, 44, 43	5,494	Potential	Adjacent	Suspect tank at adjacent Site 299 lot 9
299	2379	9, 8	11,875	Potential	On Site	Auto parts rebuilding, suspect tank at lot 9
300	2379	12, 13	5,079	Potential	On Site	Suspect tank at lot 12
301	2379	16, 19	11,330	Potential	Adjacent	Tank and AST at adjacent Site 259
302	2379	27, 24	8,243	Potential	On Site	Historic private garage with gas tanks at lot 16
302.1	2381	1	3,046	Projected	On Site	Historic auto repair, filling station on Site
303	2381	14, 16, 15	8,317	Potential	Adjacent	Suspect tank at adjacent Site 261
304	2382	28	1,794	Potential	Within 400 ft	Automotive repair at Site 265 lot 28
305	2384	8	14,600	Potential	On Site	Sheet metal fabricator on site
306	2384	25, 23, 22, 24	7,500	Potential	Adjacent	Sheet metal fabricator at adjacent Site 305
307	2386	7, 12, 14	20,000	Potential	On Site	Historic gas tanks, SQG at lot 12, FINDS
308	2387	2	7,125	Potential	On Site	Tank on site
309	2387	7, 12, 6	16,624	Potential	On Site	Auto repair at Lot 12
310	2399	1, 8	22,563	Potential	On Site	Filling Station with tanks on site
311	2411	1, 12	20,860	Potential	On Site	Car wash at lot 1
312	2390	15	2,500	Potential	Within 400 ft	Former lacquer storage, filling station at Site 291
313	2390	17, 16	5,000	Potential	On Site	Historic metal stamping, metal works at Lot 17
314	2393	14	5,500	Potential	Within 400 ft	Suspect tank at Site 261
315	2393	23, 24	5,000	Potential	Within 400 ft	Suspect tank at Site 261
316	2404	5, 1	11,154	Potential	On Site	SQG at lot 1, FINDS

TABLE 11-3 (continued)
(E)-Designation Site Summary Table
Greenpoint-Williamsburg Rezoning, CEQR # 04DCP003K

Site	Block(s)	Lot(s)	Site Area (sq. feet)	Site Type	Basis for (E)-Designation	
					Source	Comments Regarding (E)-Designation Cause
317	2416	8, 7	5,625	Potential	Adjacent	SQG at adjacent Site 316 lot 1
318	2416	27	5,350	Potential	Within 400 ft	SQG at Site 316 lot 1
319	2428	30, 28, 29	7,500	Potential	On Site	Scrap metal activities On Site
320	2441	4, 104, 107	10,475	Projected	On Site	Tank at lot 4
321	2441	47, 41	11,570	Potential	On Site	Historic can company printing works, suspect tank
321.1	2441	38	7,460	Projected	On Site	Suspect fuel oil fill port
322	2441	12	8,921	Potential	Adjacent	Tank at adjacent Site 320 lot 4
323	2441	24	9,450	Potential	Within 400 ft	Tank at Site 320 lot 4
324	2442	11	11,883	Potential	Within 400 ft	Tanks at Site 326
325	2442	21	989	Potential	On Site	Suspect tank on site
326	2442	25	11,000	Potential	On Site	Tanks, SQG, FINDS
327	2443	6, 37, 41	15,421	Potential	On Site	Auto body at Lot 41, suspect tank
328	2443	13	21,150	Potential	On Site	VCP, SQG, spills
329	2443	23	7,452	Potential	On Site	Historic auto repair, filling station on Site
330	2443	30, 29	6,991	Potential	On Site	Historic filling station, auto repair at Lot 30
331	2444	4, 2, 5, 3	9,200	Potential	On Site	Suspect tank at lot 2
332	2444	11	25,300	Potential	On Site	closed tank, spills
333	2444	28	4,950	Potential	On Site	Tank on site
334	2446	68	5,500	Potential	On Site	Suspect tank on site
335	2446	78	4,200	Projected	Within 400 ft	Suspect tank at Site 334

Notes:

For Sites with multiple blocks, the lot numbers correspond with the listed blocks, respectively.

Site 211 consists of Block 2277 Lot 1, Block 2287 Lots 1, 16, and 30, Block 2294 Lots 1 and 5, Block 2301 Lots 1, 50, 60, 70, and Block 2590 Lots 25 and 100.

The source for the (E)-Designation is either on-site, an adjacent lot, or within 400 feet of the site.

A list of acronyms and abbreviations is provided on Table 11-1.

The (E) designation cause that is listed in the table is not necessarily the most significant concern for the Site, but merely an identified condition leading to the designation.

Sites that were (E) designated based on either adjacent site conditions or conditions at sites within 400 feet may or may not have an on-site condition that would have led to the (E) designation. An on-site condition that would lead to an (E) designation may be identified following further review.

PROPERTY DESCRIPTION NARRATIVE

Applicant: LPC Development Group LLC
Address: 105 S. 5th Street, Brooklyn, NY 11249
Date: April 4, 2016
Section: IV, 10

PROPERTY DESCRIPTION NARRATIVE

Location:

The project site is located at 99-101 South 5th Street aka 337 Berry Street (Block 2443; Lot 6 – formerly known as Lots 6, 37 & 41), Williamsburg, Brooklyn; an urban borough within New York City and within Brooklyn Community District 1. The site is approximately 15,870 square feet. The Williamsburg Bridge and the elevated "L" Subway Line are directly across the street from lots 37 and 41 on the opposite side of 5th Street.

Site Features:

The main site feature is an abandoned warehouse that was owned by the City of New York's Landmark Preservation Commission ("LPC") and used as a Salvage Warehouse. This building is specifically located at 337 Berry Street or the former lot 6. Lots 37 and 41 are vacant.

Current Zoning and Land Use:

This Site is currently inactive and is zoned M1-2/R6, Special Mixed Use District (MX-8). The surrounding parcels are currently used as residential condominiums and/or apartment buildings and ground floor light commercial spaces.

Past Use of the Site:

Former lot 6 is owned by The City of New York. The LPC started an architectural salvage program at the warehouse on the Site in 1980 to reuse discarded elements from buildings throughout the City. Salvaged items such as doors, windows, fences, and decorative elements, were sold to the public at low rates to restore historic buildings. The program ended in 2000 due to budgetary constraints. In the 2005 Greenpoint-Williamsburg Points of Agreement, the City identified this Site as a location for future affordable housing development.

Former lots 37 and 41 were originally housed with two story residential buildings from ca. 1868. They were connected to the sewer system probably in the same year or shortly before. Lot 37 was originally divided into 3 lots (37, 38 and 39). According to the Archaeological Field Investigation that was completed by Historical Perspectives in July 2015 on behalf of the Applicant, lots 37 and 39 do not have any history of the owner living at the address and it is therefore not possible to trace the building's history of occupation.

All three former lots (6, 37 & 41) were listed as an E Designation Site in the Greenpoint-Williamsburg Rezoning EIS. Pursuant to Chapter 11: Hazardous Materials of the Greenpoint Williamsburg Rezoning EIS they list the above lots on Table 11-3 as an E Designated Site where an auto body shop was suspected to exist at some point, specifically on Lot 41. This information has not been verified. Furthermore, after additional environmental testing completed in 2015 no source could be identified for the contamination.

Currently, there has been no remediation completed on this project site and there is no history available of any such remediation having been completed on this project site in the past.

Site Geology and Hydrogeology:

Fill material was observed throughout all borings at different depths between 0-5 feet bgs. Soils consisted of well-graded sand with silt (ranging from fine to coarse sands) and well well-graded sand (ranging from fine to coarse). Small to large sized gravel and cobbles were observed throughout all borings. Bedrock was encountered at 39 feet bgs at MW-3, 42 feet bgs at MW-2 and 27 feet bgs at MW-4. Bedrock was not encountered in MW-1 which suggests that bedrock slopes downward to the north with the topography towards the East River. Groundwater was encountered at all wells at approximately 45-47 feet bgs. Groundwater flow is west towards the East River.

Environmental Assessment:

Based on the two rounds of onsite investigation conducted to date, the primary contaminants of concern are Trichloroethylene (TCE), Tetrachloroethylene (PCE), and 1,1,1-Trichloroethane (TCA).

Soil – Semi-volatile organic compounds (SVOCs) and metals were the predominant contaminants detected in the soil samples. Several pesticides and polychlorinated biphenyls (PCBs) were also detected in the soil. The contaminants that exceeded the unrestricted and/or residential restricted use were detected two soil borings (SB-5 and SB-7) in the surficial soil. The SVOCs consisted of polyaromatic hydrocarbons (PAHs) such as benzo(a)pyrene and benzo(a)anthracene in concentrations ranging from non-detect to 1.62 milligrams per kilogram (mg/kg) or parts per million for benzo(a)pyrene in SB-5. Metals exceeding the SCOs included Copper, Iron, Lead, Mercury, and Zinc in numerous borings and depths. Pesticides Dieldrin, 4,4’-DDD and 4,4’-DDT were detected above the SCOs in several borings. PCB Arochlors 1254 and 1260 were detected above the SCOs in boring SB-7.

Groundwater – TCE and PCE along with Iron, Manganese, Sodium, and Selenium were detected in onsite groundwater exceeding the NY TOGS GA and the NYS Ambient Water Quality Standards and Guidance Values (6NYCRR 703.5)criteria. TCE and PCE were detected at a high concentration of 9.2 and 64.7 micrograms/liter (ug/l) or parts per billion respectively. Iron, Manganese, Sodium, and Selenium were detected at high concentrations of 5,930 ug/l, 952 ug/l, 12ug/l, and 124,000 ug/l respectively.

Soil Vapor – TCE, PCE, and TCA were all detected in one or more soil-vapor samples above the NYSDOH matrix criteria in concentrations ranging from non-detect to TCE at 3,510 micrograms per cubic meter (ug/m^3) in SG-2. The higher concentrations tended to be in the northwest corner of the site.

REQUESTORS RELATIONSHIP TO OWNER

Applicant: LPC Development Group LLC
Address: 105 S. 5th Street, Brooklyn, NY 11249
Date: April 6, 2016
Section: VI

RELATIONSHIP TO OWNER

Site is owned by The City of New York. LPC Development Group, LLC plans to develop 105 S. 5th Street located in the Williamsburg section of Brooklyn, New York. At closing, title will transfer to a non-profit entity as a nominee legal or record title holder by the name of Williamburg Bridgeview Apartments Housing Development Fund Company, Inc. with the beneficial title holder as LPC Development Group LLC, the Requestor. See enclosed revised organizational chart for clarification.

This will be a 100% affordable housing project with New York City Housing Preservation and Development as the Lead Agency. Closing is anticipated to occur by end of June 2016. Please see enclosed letter dated March 18, 2016 from the New York City Housing Preservation and Development describing the relationship to the Requestor.

LPC Development Group LLC
105 S. 5th Street, Brooklyn, NY
Block: 2443
Lot: 6 (fka lots 6, 37 and 41)

***The City of New York has not yet transferred ownership to Requestor**
****There are no Previous Operators for the below listed lots.**

<u>HISTORY OF OWNERSHIP</u>

Block	Original Lot #	Address	Borough	Owenrship	Year Transferred	Owner's Address	City	State	Phone Number	Relationship to Requestor
2443	6	337 Berry Street	Brooklyn	John Cassidy & Wife	1889	unknown	unknown		unknown	None
2443	6	337 Berry Street	Brooklyn	assigned to Department of Purchase	1934	unknown	unknown		unknown	None
2443	6	337 Berry Street	Brooklyn	assigned to Department of Corrections	1942	unknown	unknown		unknown	None
2443	6	337 Berry Street	Brooklyn	assigned to Department of Sanitation	1977	51 Chambers Street	NY	NY	unknown	None
2443	6	337 Berry Street	Brooklyn	assigned to NYC Landmarks Preservation Commission	1981	1 Centre Street, 9th Floor	NY	NY	(212)669-7700	None
2443	6	337 Berry Street	Brooklyn	assigned to NYC HPD (aka The City of New York)	2012	100 Gold Street	NY	NY	(212)863-8811	None

Block	Original Lot #	Address	Borough	Owenrship	Year	Owner's Address	City	State	Phone Number	Relationship to Requestor
2443	37	105 S. 5th Street	Brooklyn	In Rem Tax Foreclosure from Commissioner of Finance to City of New York	1986	Room 500, Municipal Building	NY	NY	unknown	None
2443	37	105 S. 5th Street	Brooklyn	assigned to NYC Landmarks Preservation Commission	1986	1 Centre Street, 9th Floor	NY	NY	(212)669-7700	None
2443	37	105 S. 5th Street	Brooklyn	assigned to NYC HPD (aka The City of New York)	2012	100 Gold Street	NY	NY	(212)863-8811	None

Block	Original Lot #	Address	Borough	Owenrship	Year	Owner's Address	City	State	Phone Number	Relationship to Requestor
2443	41	99 S. 5th Street	Brooklyn	assigned from Ellen and Leo Goodrich to William and Clarence Goodrich	1925	1514 Marconi Road	Wall	NJ	unknown	None
2443	41	99 S. 5th Street	Brooklyn	assigned from Clarence Goodrich to Eleanora Donop	1972	8103 Cowles Court	Middle Village	NY	unknown	None
2443	41	99 S. 5th Street	Brooklyn	In Rem Tax Foreclosure from Commissioner of Finance to City of New York	1986	Room 500, Municipal Building	NY	NY	unknown	None
2443	41	99 S. 5th Street	Brooklyn	assigned to NYC Landmarks Preservation Commission	1986	1 Centre Street, 9th Floor	NY	NY	(212)669-7700	None
2443	41	99 S. 5th Street	Brooklyn	assigned to NYC HPD (aka The City of New York)	2012	100 Gold Street	NY	NY	(212)863-8811	None

VOLUNTEER STATEMENT

Applicant: LPC Development Group LLC
Address: 105 S. 5th Street, Brooklyn, NY 11249
Date: January 26, 2016
Section: VI

VOLUNTEER STATEMENT

The proposed site is owned by The City of New York. The Applicant, LPC Development Group, LLC would be considered a Volunteer Requestor as the entity plans to purchase and develop both the 105 S. 5th Street and 337 Berry Street sites located in the Williamsburg section of Brooklyn, New York. At closing, title of the site will transfer to a non-profit entity by the name of Williamburg Bridgeview Apartments Housing Development Fund Company, Inc. with the beneficial title holder as the Applicant, LPC Development Group LLC. See attached organizational chart for clarification.

Prior to submission of this application and before legal ownership of the proposed site Applicant was granted a License to access the site and committed to performing all necessary testing and investigative work which determined the initial contamination. In addition, Applicant also agreed to include the following preventive measures in the building suggested by NYC OER; a vapor barrier, sub-slab depressurization system and soil vapor extraction system to prevent any further exposure to contamination. Moreover, Applicant has agreed to complete any further clean up required by an approved Remedial Work Action Plan issued by the NYS Department of Environmental Conservation Brownfield Program. Closing is anticipated to occur June 2016.

PROOF OF SITE ACCESS

THIS REVOCABLE LICENSE AGREEMENT, made and entered into as of the 23 day of December, 2015, by and between The City of New York, acting by and through its Department of Housing Preservation and Development, having an office at 100 Gold Street, New York, New York 10038 ("Licensor") and Procida Construction Corp., having an office 456 East 173rd Street, Bronx, New York 10457("Licensee").

WHEREAS, Licensor is the fee owner of certain premises ("Premises") described in Exhibit A annexed hereto and made a part hereof;

WHEREAS, the parties hereto desire to institute a program at the Premises whereby Licensee shall perform, or sublicense for the performance of, certain work described in Exhibit B annexed hereto and made a part hereof ("Work");

WHEREAS, Licensee represents that it has the resources and experience to conduct the Work;

WHEREAS, Licensee has requested that Licensor enter into this Agreement, and Licensor, upon satisfactory proof having been furnished by Licensee of the need for this Agreement, has agreed to enter into this Agreement upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the sum of One Dollar ($1.00) paid by Licensee, receipt and sufficiency of which is hereby acknowledged by Licensor, and in consideration of the mutual promises hereinafter made, the parties hereto hereby agree as follows:

1. The Premises. Licensee may enter upon and use the Premises only for those purposes specifically authorized by this Agreement.

2. Use of the Premises.

   a. Licensee and its agents, contractors, or representatives shall enter upon and use the Premises for the purpose of performing the Work. No ownership, leasehold, possessory, or other rights to the Premises shall vest in Licensee by virtue of this Agreement.

   b. Licensee represents to Licensor that the Work will not damage or lessen the value of the Premises.

3. Acceptance of the Premises in "as is" Condition. Licensee has inspected and is satisfied with the condition of the Premises and, for purposes of this Agreement, accepts same in "as is" condition. Licensor neither makes nor has made any representation or warranty as to the condition of said Premises or as to any other matter affecting this Agreement.

4. License Period. This Agreement shall commence upon the date hereof and, unless sooner terminated as provided herein, shall expire upon **May 15, 2016.** This Agreement shall terminate without any action by either party if Licensor ceases to be the fee owner of the Premises. Licensor may, in its sole and absolute discretion, terminate this Agreement upon three (3) days written notice to Licensee, and Licensee shall have no recourse of any nature whatsoever. Licensor shall have no liability of any nature whatsoever by reason of such termination.

5. Prohibited Uses.

a. Licensee shall not perform any acts upon the Premises, including, but not limited to, the making of any improvements or alterations to the Premises, except as specifically authorized by this Agreement.

b. Licensee shall not affix any advertisement, notice or sign in, to, or on the Premises, other than those required by law or for safety purposes, without first obtaining the specific written consent and authorization of Licensor.

6. Additional Requirements Upon Licensee.

a. Licensee shall, at Licensee's sole cost and expense, obtain all permits, approvals and certificates required for the operation and/or performance of the Work by any governmental or quasi-governmental entity having jurisdiction over the Premises or the Work.

b. Licensee shall, whenever entering or leaving the Premises, see that any enclosure provided by Licensor is intact.

c. Licensee shall keep the Premises free from deposits of refuse, debris, garbage, waste, and all other objectionable materials brought onto the Premises by Licensee.

d. Licensee shall notify Licensor of any damage or accident occurring on the Premises within twenty-four (24) hours of any occurrence.

7. Risk Upon Licensee.

a. The expenditures for the Work to be undertaken on the Premises are to be made solely and exclusively at the risk and sole cost and expense of Licensee, and no part thereof is, or shall be, reimbursable by Licensor for any reason whatsoever.

b. Licensee agrees that (i) the Work to be performed pursuant to this Agreement was not, and is not, directed by Licensor, and (ii) Licensor assumes no obligation or responsibility nor shall it have any liability for any expenditure made hereunder.

8. Insurance

From the date this License is executed through the date of its expiration or termination, the Licensee shall ensure that the types of insurance indicated in herein are obtained and remain in force, and that such insurance adheres to all requirements herein. The Licensee is authorized to undertake the Work only during the effective period of all required coverage.

a. Commercial General Liability Insurance. The Licensee shall maintain Commercial General Liability insurance in the amount of at least One Million Dollars ($1,000,000) per occurrence. In the event such insurance contains an aggregate limit, the aggregate shall apply on a per-location basis applicable to the Premises and such per-location aggregate shall be at least Two Million

Dollars ($2,000,000). This insurance shall protect the insureds from claims for property damage and/or bodily injury, including death, that may arise from any of the operations under this License. Coverage shall be at least as broad as that provided by the most recently issued Insurance Services Office ("ISO") Form CG 0001, shall contain no exclusions other than as required by law or as approved by the Commissioner, and shall be "occurrence" based rather than "claims-made. Such Commercial General Liability insurance shall name the City, together with its officials and employees, as an Additional Insured with coverage at least as broad as the most recent edition of ISO Form CG 2026C.

b <u>Workers' Compensation, Employers Liability, and Disability Benefits Insurance</u>
The Licensee shall maintain Workers' Compensation insurance, Employers Liability insurance, and Disability Benefits insurance on behalf of, or with regard to, all employees involved in the Licensee's operations under this License, and such insurance shall comply with the laws of the State of New York.

c. <u>Business Automobile Liability Insurance</u>

With regard to all operations under this License, the Licensee shall maintain or cause to be maintained Business Automobile Liability insurance in the amount of at least One Million Dollars ($1,000,000) each accident (combined single limit) for liability arising out of the ownership, maintenance or use of any owned, non-owned or hired vehicles. Coverage shall be at least as broad as the latest edition of ISO Form CA0001. If vehicles are used for transporting hazardous materials, such Business Automobile Liability insurance shall be endorsed to provide pollution liability broadened coverage for covered vehicles (endorsement CA 99 48) as well as proof of MCS-90.

d. <u>Property Insurance</u>

~~If the Premises contain a building or structure or if this License Agreement involves construction of a structure on the Premises, The Licensee shall maintain comprehensive "All Risk" or "Special Perils" form property insurance covering all buildings, structures, equipment and fixtures on the Premises ("License Structures"), whether existing at the beginning of this License or built at any time before its expiration or termination. Such insurance shall provide full Replacement Cost coverage for the License Structures (without depreciation or obsolescence clause) and include, without limitation, coverage for loss or damage by acts of terrorism, water, flood, subsidence and earthquake. Such insurance shall be "occurrence" (rather than "claims-made") based and shall designate the Licensee as Named Insured and the City as Loss Payee as their interests may appear. The limit of such property insurance shall be no less than the full Replacement Cost of all License Structures, including, without limitation, the costs of post-casualty debris removal and soft costs, to the extent that such costs can be covered by an "all risk" or "special perils form" insurance policy. If such insurance contains an aggregate limit, it shall apply separately to the License Structures. In the event of any loss to any of the License Structures, the Licensee shall provide the insurance company that issued such property insurance with prompt, complete and timely notice, and simultaneously provide the Commissioner with a copy of such notice. With regard to any License Structure that the City owns or in which the City has an interest, the Licensee~~

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~~shall also (i) take all appropriate actions in a timely manner to adjust such claim on terms that provide the City with the maximum possible payment for the loss, and (ii) either provide the City with the opportunity to participate in any negotiations with the insurer regarding adjustments for claims or, at the Commissioner's discretion, allow the City itself to adjust such claim.~~

e. <u>General Requirements for Insurance Coverage and Policies</u>

(i). Policies of insurance required hereunder shall be provided by companies that may lawfully issue such policy and have an A.M. Best rating of at least A- / "VII" or a Standard and Poor's rating of at least A, unless prior written approval is obtained from the Commissioner.

(ii) Policies of insurance required hereunder shall be primary and non-contributing to any insurance or self-insurance maintained by the City.

(iii) There shall be no self-insurance program with regard to any insurance required under this Agreement unless approved in writing by the Commissioner. The Licensee shall ensure that any such self-insurance program provides the City with all rights that would be provided by traditional insurance under this Agreement, including but not limited the defense and indemnification obligations that insurers are required to undertake in liability policies.

(iv) The City's limits of coverage for all types of insurance required under this Agreement shall be the greater of (i) the minimum limits set forth in this Agreement or (ii) the limits provided to the Licensee under all primary, excess and umbrella policies covering operations under this License.

(v) All required policies, except for Workers' Compensation insurance, Employers Liability insurance, and Disability Benefits insurance, shall contain an endorsement requiring that the issuing insurance company endeavor to provide the City with advance written notice in the event such policy is to expire or be cancelled or terminated for any reason, and to mail such notice to both the Commissioner of HPD and the New York City Comptroller, Attn: Office of Contract Administration, Municipal Building, One Centre Street, Room 1005, New York, New York 10007. Such notice is to be sent at least (30) days before the expiration, cancellation or termination date, except in cases of non-payment, where at least ten (10) days written notice would be provided.

(vi) All required policies, except Workers' Compensation, Employers Liability, and Disability Benefits, shall include a waiver of the right of subrogation with respect to all insureds and loss payees named therein.

f. <u>Pollution Insurance</u>

(i). Pollution Legal Liability Insurance.

If this License Agreement involves petroleum products, asbestos, lead, PCBS, or any other hazardous materials, the Licensee shall maintain

Pollution Legal Liability Insurance covering bodily injury, property damage, clean-up costs/remediation expenses and legal defense costs for new pollution conditions both on and off-site. If the Licensee's operations include loading, unloading or transportation of any waste or hazardous materials to or from the Premises, this insurance shall expressly include such activities and any non-owned facilities/sites utilized for the disposal of wastes or hazardous materials transported from the Premises. If the Premises contains any underground storage tank(s), this insurance shall expressly include such tanks. This insurance shall have a limit of at least One Million Dollars ($1,000,000), and provide coverage for the Licensee as Named Insured and the City, together with its officials and employees, as Additional Insured. Coverage for the City shall be at least as broad as the Licensee's. This insurance shall have a retroactive date on or before the effective date of this License, and continuous coverage shall be maintained, or an extended discovery period exercised, for a period of not less than three years after the expiration or termination of this License.

(ii) Contractors Pollution Liability Insurance.

1. In the event the Licensee enters into a contract with another that involves abatement, removal, repair, replacement, enclosure, encapsulation and/or delivery, receipt, or disposal of any petroleum products, asbestos, lead, PCBs or any other hazardous materials or substances, the Licensee shall maintain, or cause the contractor to maintain, Contractors Pollution Liability Insurance covering bodily injury, property damage, clean up costs/remediation expenses and legal defense costs. Such insurance shall provide coverage for sudden and non-sudden pollution conditions arising out of the contractor's operations at the Premises. If required, the Contractors Pollution Liability Insurance shall each have a limit of at least One Million Dollars ($1,000,000), and provide coverage for the Licensee as Named Insured or Additional Insured and the City, together with its officials and employees, as Additional Insured. Coverage for the City shall be at least as broad as the Licensee's. If this insurance is issued on a claims-made basis, such policy or policies shall have a retroactive date on or before the beginning of the contractor's work, and continuous coverage shall be maintained, or an extended discovery period exercised, for a period of not less than three years after the termination of such work.

g. <u>Proof of Insurance</u>

(i) Certificates of Insurance for all insurance required in this Agreement must be submitted to and accepted by the Commissioner prior to or upon execution of this License.

(ii) For Workers' Compensation, Employers Liability Insurance, Disability Benefits, and United States Longshoremen's and Harbor Workers Act and/or the Jones Act insurance policies, the Licensee shall submit one of the following:

1. C-105.2 Certificate of Worker's Compensation Insurance;

2. U-26.3 -- State Insurance Fund Certificate of Workers' Compensation Insurance;

3. Request for WC/DB Exemption (Form CE-200);

4. Equivalent or successor forms used by the New York State Workers' Compensation Board; or

(ii) ACORD forms are not acceptable proof of workers' compensation coverage.

(iii) For all insurance required under this Agreement other than Workers Compensation, Employers Liability, Disability Benefits and United States Longshoremen's and Harbor Workers Act and/or the Jones Act insurance, the Licensee shall submit one or more Certificates of Insurance in a form acceptable to the Commissioner. All such Certificates of Insurance shall (a) certify the issuance and effectiveness of such policies of insurance, each with the specified minimum limits; and (b) be accompanied by the provision(s) or endorsement(s) in the Licensee's policies (including its general liability policy) by which the City has been made an additional insured or loss payee, as required herein. All such Certificates of Insurance shall be accompanied by either a duly executed "Certification by Broker" in the form required by the Commissioner or certified copies of all policies referenced in such Certificate of Insurance. If any policy is not available at the time of submission, certified binders may be submitted until such time as the policy is available, at which time a certified copy of the policy shall be submitted.

(iii) Certificates of Insurance confirming renewals of insurance shall be submitted to the Commissioner prior to the expiration date of coverage of all policies required under this License. Such Certificates of Insurance shall comply with subsections (B) and (C) directly above.

(iv) Acceptance or approval by the Commissioner of a Certificate of Insurance or any other matter does not waive Licensee's obligation to ensure that insurance fully consistent with the requirements of this Agreement is secured and maintained, nor does it waive Licensee's liability for its failure to do so.

(v) The Licensee shall be obligated to provide the City with a copy of any policy of insurance required under this Agreement upon request by the Commissioner or the New York City Law Department.

h. Miscellaneous

(i) The Licensee may satisfy its insurance obligations under this Agreement through primary policies or a combination of primary and excess/umbrella policies, so long as all policies provide the scope of coverage required herein.

(ii) The Licensee shall be solely responsible for the payment of all premiums for all policies and all deductibles or self-insured retentions to which they are subject, whether or not the City is an insured under the policy.

(iii) Where notice of loss, damage, occurrence, accident, claim or suit is required under a policy maintained in accordance with this Agreement, the Licensee shall notify in writing all insurance carriers that issued potentially responsive policies of any such event relating to any operations under this License (including notice to Commercial General Liability insurance carriers for events relating to the Licensee's own employees) no later than 20 days after such event. For any policy where the City is an Additional Insured, such notice shall expressly specify that "this notice is being given on behalf of the City of New York as Additional Insured as well as the Named Insured." Such notice shall also contain the following information: the number of the insurance policy, the name of the named insured, the date and location of the damage, occurrence, or accident, and the identity of the persons or things injured, damaged or lost. The Licensee shall simultaneously send a copy of such notice to the City of New York c/o Insurance Claims Specialist, Affirmative Litigation Division, New York City Law Department, 100 Church Street, New York, New York 10007.

(iv) The Licensee's failure to secure and maintain insurance in complete conformity with this Agreement, or to give the insurance carrier timely notice on behalf of the City, or to do anything else required by this Agreement shall constitute a material breach of this License. Such breach shall not be waived or otherwise excused by any action or inaction by the City at any time.

(v) Insurance coverage in the minimum amounts provided for in this Agreement shall not relieve the Licensee of any liability under this License, nor shall it preclude the City from exercising any rights or taking such other actions as are available to it under any other provisions of this License or the law.

(vi) In the event of any loss, accident, claim, action, or other event that does or can give rise to a claim under any insurance policy required under this Agreement, the Licensee shall at all times fully cooperate with the City with regard to such potential or actual claim.

(vii) The Licensee waives all rights against the City, including its officials and employees, for any damages or losses that are covered under any insurance required under this Agreement (whether or not such insurance is actually procured or claims are paid thereunder) or any other insurance applicable to the operations of the Licensee and/or its employees, agents, or servants of its contractors or subcontractors.

(viii) In the event the Licensee requires any entity, by contract or otherwise, to procure insurance with regard to any operations under this License and requires such entity to name the Licensee as an additional insured under such insurance, the Licensee shall ensure that such entity also name the City, including its officials and employees, as an additional insured with coverage at least as broad as ISO form CG 20 26.

(ix) In the event the Licensee receives notice, from an insurance company or other person, that any insurance policy required under this Agreement shall expire or be cancelled or terminated (or has expired or been cancelled or terminated) for any reason, the Licensee shall immediately forward a copy of such notice to both the Commissioner [insert Agency name and appropriate address], and the New York City Comptroller, attn: Office of Contract Administration, Municipal Building, One Centre Street, room 1005, New York, New York 10007. Notwithstanding the foregoing, the Licensee shall ensure that there is no interruption in any of the insurance coverage required under this Agreement.

9. <u>Responsibility for Safety, Injuries or Damage</u>

a. <u>Licensee Responsibility</u>

(i) The Licensee shall be solely responsible for the safety and protection of its employees, agents, servants, contractors, and subcontractors, and for the safety and protection of the employees, agents, or servants of its contractors or subcontractors.

(ii) The Licensee shall be solely responsible for taking all reasonable precautions to protect the persons and property of the City or others from damage, loss or injury resulting from any and all operations under this License.

(iii) The Licensee shall be solely responsible for injuries to any and all persons, including death, and damage to any and all property arising out of or related to the operations under this License, whether or not due to the negligence of the Licensee, including but not limited to injuries or damages resulting from the acts or omissions of any of its employees, agents, servants, contractors, subcontractors, or any other person.

(iv) The Licensee shall use the Premises in compliance with, and shall not cause or permit the Premises to be used in violation of, any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of the courts, permits or permit conditions, currently existing or as amended or adapted in the future which are or become applicable to the Licensee or the Premises (collectively "Environmental Laws"). Except as may be agreed by the City as part of this License, Licensee shall not cause or permit, or allow any of the Licensee's personnel to cause or permit, any Hazardous Materials to be brought upon, store, used generated, treated or disposed of on the Premises. As used herein, "Hazardous Materials" means any chemical, substance or material which is now or becomes in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, its properties or effects.

10. Indemnification and Related Obligations

(i) To the fullest extent permitted by law, the Licensee shall indemnify, defend and hold the City and its officials and employees harmless against any and all claims, liens, demands, judgments, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature (including, without limitation, attorneys' fees and disbursements) arising out of or related to any of the operations under this License (regardless of whether or not the Licensee itself had been negligent) and/or the Licensee's failure to comply with the law or any of the requirements of this License. Insofar as the facts or law relating to any of the foregoing would preclude the City or its officials and employees from being completely indemnified by the Licensee, the City and its officials and employees shall be partially indemnified by the Licensee to the fullest extent permitted by law.

(ii) The Licensee's obligation to defend, indemnify and hold the City and its officers and employees harmless shall not be (i) limited in any way by the Licensee's obligations to obtain and maintain insurance under this License, nor (ii) adversely affected by any failure on the part of the City or its officers and employees to avail themselves of the benefits of such insurance.

11. Compliance with Laws. Licensee shall comply with all applicable laws, rules, regulations, and orders of federal, state, and local authorities regarding the Premises and the use, occupancy, and maintenance thereof, and with such other rules, regulations, orders, terms, and conditions as may be set or required by Licensor, to the extent that they relate to the Work under this Agreement.

12. Right of Entry by Licensor. Licensor may enter upon the Premises at any time for any purpose whatsoever, including, but not limited to, erecting and maintaining signs on the Premises or examining the Premises to determine whether or not Licensee is complying with the terms of this Agreement and with all laws, rules, regulations or orders of federal, state or local authorities which may affect the Premises or the Work being performed thereon.

13. Restoration of Premises.

a. Upon the expiration or termination of this Agreement pursuant to Section 4, Licensee shall promptly remove all equipment and materials from the Premises and shall surrender the Premises to Licensor in a condition satisfactory to Licensor.

b. Upon receipt from the Department of Buildings of a Notice of Violation, or upon similar exigent circumstances as determined solely by Licensor, Licensor may, upon written or oral notice to Licensee of such circumstance, require Licensee to immediately quit the Premises without removing any materials or equipment.

Licensor shall thereafter afford Licensee a reasonable opportunity to remove such materials and equipment.

c. If Licensee is unable to quit the Premises and remove materials and equipment within the three (3) day period described in Section 4, Licensee or its contractor shall, upon request by Licensor, furnish a letter of credit, in form and amount satisfactory to Licensor, to insure the costs of removal of its materials and equipment and any of its stockpiled debris.

d. In the event that Licensee shall (i) fail to quit and vacate the Premises in accordance with Section 4, or (ii) fail to remove its materials, equipment, and stockpiled debris in accordance with this Section 12, then Licensor, in addition to any other right and remedies it may have hereunder and at law, shall be entitled to receive from Licensee reimbursement for any costs and expenses, including legal fees and court costs, that it may have incurred for the purposes of regaining possession of the Premises, removing Licensee's material, equipment and stockpiled debris from the Premises, and restoring the Premises to the condition existing on the date hereof.

14. Investigations.

a. Licensee agrees to be bound by the provisions of Exhibit C annexed hereto and made part hereof.

b. Licensee warrants and represents that (i) no officer, agent, employee, or representative of the City of New York has received or shall receive any payment or other consideration for the making of this Agreement, and (ii) no officer, agent, employee or representative of the City of New York has or shall have any interest, whether directly or indirectly, in this Agreement or any proceeds thereof.

15. No Assignment Or Sublicense. The License granted by Licensor pursuant to this Agreement is granted solely to Licensee and shall not be assignable, in whole or in part, by Licensee for any reason whatsoever. Licensee shall not sublicense the Premises or any part thereof without first obtaining the specific written consent and authorization of Licensor; provided, however, that Licensee may cause its contractors and agents to enter the Premises for the purpose of performing the Work.

16. Amendment. This License may not be amended, altered, modified, or extended except by a written instrument signed by Licensee and Licensor.

17. Ownership of the Work. All work undertaken and materials incorporated in the Premises shall become the property of Licensor upon the expiration or other termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

<u>LICENSOR</u>

CITY OF NEW YORK

By: DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

By: ______________________
Charles Marcus
Director of Operations

<u>LICENSEE</u>

PROCIDA CONSTRUCTION CORP.

By: ______________________
Name: Mario Procida
Title: President/CEO

APPROVED AS TO FORM,
BY STANDARD TYPE OF CLASS,
FOR USE UNTIL December 31, 2016

By: <u>/s/ Steven Stein Cushman</u>
(Acting) Corporation Counsel

EXHIBIT A

THE PREMISES

Borough: Brooklyn

Block	**Lot**
2443	6, 37, 41

EXHIBIT B

THE WORK

This Agreement is specifically entered into for the following work, improvements and alterations.

Surface geophysics survey
Soil borings
Soil-gas points
Monitoring of wells
Collection and analysis of soil
Soil-gas and ground water samples
Investigative probe work – sizing of existing columns, girders and beams, detailing the connection of the girder to the columns, and detailing the connection of the beams to the girders and walls.

*Environmental testing allowed in connection with E designation

EXHIBIT C

INVESTIGATIONS

1. Definitions.

   A. The terms "license" and "permit," as used in this Exhibit C, shall be defined as a license, permit, franchise, or concession not granted as a matter of right.

   B. The term "person," as used in this Exhibit C, shall be defined as any natural person doing business alone or associated with another person or entity as a partner, director, officer, principal, or employee.

   C. The term "entity," as used in this Exhibit C, shall be defined as any firm, partnership, corporation, association, or person that receives money, benefits, licenses, leases, or permits from or through the City or otherwise transacts business with the City.

   D. The term "member," as used in this Exhibit C, shall be defined as any person associated with another person or entity as a partner, director, officer, principal, or employee.

2. Cooperation. Licensee shall cooperate fully and faithfully with any investigation, audit, or inquiry conducted by a State of New York ("State") or City governmental agency or authority that is empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath, or conducted by the Inspector General of a governmental agency that is a party interest to the transaction, submitted bid, submitted proposal, contract, lease, permit, or license that is the subject of the investigation, audit, or inquiry.

3. Refusal to Testify. If (i) any person who has been advised that his or her statement, and any information from such statement, will not be used against him or her in any subsequent criminal proceeding refuses to testify before a grand jury or other governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath concerning the award of or performance under any transaction, agreement, lease, permit, contract, or license entered into with the City, the State, or any political subdivision or public authority thereof, or the Port Authority of New York and New Jersey, or any local development corporation within the City, or any public benefit corporation organized under the laws of the State of New York, or; (ii) any person refuses to testify for a reason other than the assertion of his or her privilege against self-incrimination in an investigation, audit or inquiry conducted by a City or State governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to take testimony under oath, or by the Inspector General of the governmental agency that is a party in interest in, and is seeking testimony concerning the award of, or performance under, any transaction, agreement, lease, permit, contract, or license entered into with the City, the State, or any political subdivision thereof or any local development corporation within the City, then the commissioner or agency head whose agency is a party in interest to the transaction, submitted bid, submitted proposal, contract, lease, permit, or license shall convene a hearing, upon not less than five (5) days written notice, to the parties involved to determine if any penalties should attach for the failure of a person to testify.

4. Adjournments. If any non-governmental party to the hearing requests an adjournment, the Commissioner or agency head who convened the hearing may, upon granting the adjournment, suspend any contract, lease, permit, or license pending the final determination pursuant to Paragraph 5, without the City incurring any penalty or damages for delay or otherwise.

5. Penalties. The penalties which may attach after a final determination by the Commissioner or agency head may include, but shall not exceed:

   A. The disqualification for a period not to exceed five (5) years from the date of an adverse determination for any person, or any entity of which such person was a member at the time the testimony was sought, from submitting bids for, or transacting business with, or entering into or obtaining any contract, lease, permit, or license with or from the City; and/or

   B. The cancellation or termination of any and all such existing City contracts, leases, permits, or licenses that the refusal to testify concerns and that have not been assigned as permitted under this Agreement, nor the proceeds of which pledged, to an unaffiliated and unrelated institutional lender for fair value prior to the issuance of the notice scheduling the hearing, without the City incurring any penalty or damages on account of such cancellation or termination; money lawfully due for goods delivered, work done, rentals, or fees accrued prior to the cancellation or termination shall be paid by the City.

6. Factors. The Commissioner or agency head shall consider and address in reaching his or her determination and in assessing an appropriate penalty the factors in Paragraph 6.A and Paragraph 6.B. The Commissioner or agency head may also consider, if relevant and appropriate, the criteria established in Paragraph 6.C and Paragraph 6.D in addition to any other information which may be relevant and appropriate.

   A. Good Faith Efforts. The party's good faith endeavors or lack thereof to cooperate fully and faithfully with any governmental investigation or audit, including, but not limited to, the discipline, discharge, or disassociation of any person failing to testify, the production of accurate and complete books and records, and the forthcoming testimony of all other members, agents, assignees, or fiduciaries whose testimony is sought.

   B. Relationship to the Entity. The relationship of the person who refused to testify to any entity that is a party to the hearing, including, but not limited to, whether the person whose testimony is sought has an ownership interest in the entity and/or the degree of authority and responsibility the person has within the entity.

   C. Nexus. The nexus of the testimony sought to the subject and its contracts, leases, permits, or licenses with the City.

   D. Effect of a Penalty. The effect a penalty may have on an unaffiliated and unrelated party or entity that has a significant interest in an entity subject to penalties under Paragraph 5, provided that the party or entity has given actual notice to the

Commissioner or agency head upon the acquisition of the interest, or at the hearing called for in Paragraph 3 gives notice and proves that such interest was previously acquired. Under either circumstance, the party or entity must present evidence at the hearing demonstrating the potential adverse impact a penalty will have on such person or entity.

7. Warranties and Enforcement.

A. Licensee warrants and represents that, to the best of Licensee's knowledge, (1) no officer, agent, employee, or representative of the City has received any payment or other consideration for the making of this Agreement or in connection with the performance thereof, and (2) no officer, agent, employee, or representative of the City has any interest, directly or indirectly, in this Agreement or the proceeds thereof. Licensee shall not hereafter make or pay any consideration as aforesaid and will cooperate fully with the Commissioner of Investigation of the City and will promptly report in writing any solicitation of money, goods, requests for future employment, or other benefit or thing of value, by or on behalf of any employee of the City or other person, firm, corporation, or entity for any purpose which may be related to the procurement or obtaining of this Agreement by Licensee or affecting the performance of this Agreement.

B. In the event of a violation of Paragraph 7.A, the Commissioner of HPD may convene a hearing pursuant to Paragraph 3 and, upon such hearing, make a determination, in accordance with the considerations set forth in Paragraph 6, as to whether or not a violation has occurred. The penalties imposed may include but shall not exceed the penalties set forth in Paragraph 5.A.

ACORD® CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 12/14/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
BNC Insurance Agency, Inc.
111 South Ridge St.

Rye Brook NY 10573

CONTACT NAME: Janine May
PHONE (A/C, No, Ext): (914) 937-1230 FAX (A/C, No): (914) 937-1124
E-MAIL ADDRESS: jmay@bncagency.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: U.S. Specialty Ins. Co.	29599
INSURER B: Harleysville Preferred	35696
INSURER C: Starr Indmnity & Liability Co	38318
INSURER D: Zurich American Insurance	16535
INSURER E:	
INSURER F:	

INSURED
Procida Construction Corp.
456 East 173rd Street

Bronx NY 10457

COVERAGES

CERTIFICATE NUMBER: CL1512868707 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT LOC	X		U15PC3002002	5/15/2015	5/15/2016	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 2,000,000 $ 50,000 $ EXCLUDED $ 2,000,000 $ 4,000,000 $ 4,000,000 $
B	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS	X		BA 000000875355V	5/15/2015	5/15/2016	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) PIP-Basic	$ 1,000,000 $ $ $ $
C	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED X RETENTION $ 10,000	X		10000021795	5/15/2015	5/15/2016	EACH OCCURRENCE AGGREGATE	$ 3,000,000 $ 3,000,000 $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
D	UMBRELLA LIABILITY	X		AEC105164101	5/15/2015	5/15/2016	EACH OCCURRENCE AGGREGATE	10,000,000 10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Project site - 337 Berry Street, Brooklyn, NY (block 2443, Lots 6,37,41-Brooklyn) FEIN #13-2622423
The Policies of insurance names the City of New York, its officials and employees as additional insured and provides completed opertions coverage

CERTIFICATE HOLDER

The City of New York
its officials and employees
100 Gold Street
New York, NY 10038

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
O Colabella/JANINE

CITY OF NEW YORK

CERTIFICATION BY INSURANCE BROKER OR AGENT

The undersigned insurance broker or agent represents to the City of New York that the attached Certificate of Insurance is accurate in all material respects.

BNC INSURANCE AGENCY INC

[Name of broker or agent (typewritten)]

111 S RIDGE STREET, RYE BROOK, NY 10573

[Address of broker or agent (typewritten)]

jmay@bncagency.com

[Email address of broker or agent (typewritten)]

914-937-1230 / 914-937-1124

[Phone number/Fax number of broker or agent (typewritten)]

Onofrio A. Colabella

[Signature of authorized official, broker, or agent]

ONOFRIO A. COLABELLA

[Name and title of authorized official, broker, or agent (typewritten)]

State of ..New York......)
) ss.:
County of .Westchester....)

Sworn to before me this 8th day of December 2015

Dorothy A Maloney

NOTARY PUBLIC FOR THE STATE OF New York

DOROTHY A. MALONEY
Notary Public, State of New York
No. 4881577
Qualified in Rockland County
Commission Expires Jan. 12, 2019

NYSIF New York State Insurance Fund

Workers' Compensation & Disability Benefits Specialists Since 1914

199 CHURCH STREET, NEW YORK, N.Y. 10007-1100

Phone: (888) 997-3863

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

^ ^ ^ ^ ^ ^ 132622423
PROCIDA CONSTRUCTION CORP
456 EAST 173RD STREET
BRONX NY 10457

POLICYHOLDER	CERTIFICATE HOLDER
PROCIDA CONSTRUCTION CORP 456 EAST 173RD STREET BRONX NY 10457	THE CITY OF NEW YORK 100 GOLD STREET NEW YORK NY 10038

POLICY NUMBER	CERTIFICATE NUMBER	PERIOD COVERED BY THIS CERTIFICATE	DATE
Z2274 776-0	465971	01/01/2014 TO 01/01/2017	12/8/2015

THIS IS TO CERTIFY THAT THE POLICYHOLDER NAMED ABOVE IS INSURED WITH THE NEW YORK STATE INSURANCE FUND UNDER POLICY NO. 2274 776-0 UNTIL 01/01/2017, COVERING THE ENTIRE OBLIGATION OF THIS POLICYHOLDER FOR WORKERS' COMPENSATION UNDER THE NEW YORK WORKERS' COMPENSATION LAW WITH RESPECT TO ALL OPERATIONS IN THE STATE OF NEW YORK, EXCEPT AS INDICATED BELOW.

IF SAID POLICY IS CANCELLED, OR CHANGED PRIOR TO 01/01/2017 IN SUCH MANNER AS TO AFFECT THIS CERTIFICATE, 10 DAYS WRITTEN NOTICE OF SUCH CANCELLATION WILL BE GIVEN TO THE CERTIFICATE HOLDER ABOVE. NOTICE BY REGULAR MAIL SO ADDRESSED SHALL BE SUFFICIENT COMPLIANCE WITH THIS PROVISION. THE NEW YORK STATE INSURANCE FUND DOES NOT ASSUME ANY LIABILITY IN THE EVENT OF FAILURE TO GIVE SUCH NOTICE.

THE POLICY INCLUDES A WAIVER OF SUBROGATION ENDORSEMENT UNDER WHICH NYSIF AGREES TO WAIVE ITS RIGHT OF SUBROGATION TO BRING AN ACTION AGAINST THE CERTIFICATE HOLDER TO RECOVER AMOUNTS WE PAID IN WORKERS' COMPENSATION AND/OR MEDICAL BENEFITS TO OR ON BEHALF OF AN EMPLOYEE OF OUR INSURED IN THE EVENT THAT, PRIOR TO THE DATE OF THE ACCIDENT, THE CERTIFICATE HOLDER HAS ENTERED INTO A WRITTEN CONTRACT WITH OUR INSURED THAT REQUIRES THAT SUCH RIGHT OF SUBROGATION BE WAIVED.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS NOR INSURANCE COVERAGE UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICY.

NEW YORK STATE INSURANCE FUND

Sherwin Taylor

DIRECTOR,INSURANCE FUND UNDERWRITING

This certificate can be validated on our web site at https://www.nysif.com/cert/certval.asp or by calling (888) 875-5790

VALIDATION NUMBER: 528472673

U-26.3

Department of Housing Preservation & Development
nyc.gov/hpd

VICKI BEEN
Commissioner
ERIC ENDERLIN
Deputy Commissioner
SUSAN KENSKY
Assistant Commissioner

Office of Development
New Construction Finance
100 Gold Street
New York, N.Y. 10038

March 18, 2016

RE: Williamsburg Bridgeview Apartments-
Section VII Requestor Eligibility
Information
Address: 337 Berry Street, Brooklyn
Block: 2443, Lot 6
(Formerly Lots 6, 37, and 41)
BCP # C224233

Kelly A. Lewandowski, P.E.
Site Control Section
New York State Department of Environmental Conservation
650 Broadway 11th Fl.
Albany, NY 12233

Dear Ms. Lewandowski,

In regards to the Williamsburg Bridgeview Apartments BCP # C224233 Section VII Requestor Eligibility Information; Mario Procida, the principal of both Procida Construction Corp. ("Procida") and LPC Development Group LLC will have access to 337 Berry Street, Brooklyn, also known as the Williamsburg Bridgeview Apartments project (the "Development Site"), for the duration of the work to be performed under the Brownfield Cleanup Program. The Development Site is currently owned by the City of New York (the "City'). The City, acting by and through its Department of Housing Preservation and Development ("HPD") has granted Procida access to the Development Site pursuant to a license agreement that expires on May 15, 2016. Upon expiration of the existing license agreement Procida may request a new license agreement. HPD intends to issue a new license agreement once we have received Procida's request, proof of insurance and any other required supporting documents. If you have any further questions please feel free to contact the HPD Project Manager, Charles Mason, at 212-863-7321 or masonch@hpd.nyc.gov.

Sincerely,
Cleopatre Duplessy

Cleopatre Duplessy
Director of Operations

BROWNFIELD CONTACT LIST

REVISED
Brownfield Site Contact List

105 S. 5th Street, Brooklyn, NY 11249
(Block 2443; Lot 6 (f.k.a. 6, 37 & 41)

1. **LOCAL AND STATE OFFICIALS** (Including borough president, council member, community board, NYS DEC)

New York City Office of the Mayor
Mayor Bill de Blasio
City Hall
New York, NY 10007

Brooklyn Borough President
Borough President Eric Adams
Brooklyn Borough Hall
209 Joralemon Street,
Brooklyn, New York 11201
Phone: (718) 802-3700
Email: askeric@brooklynbp.nyc.gov

Council Member Antonio Reynoso
District 34
244 Union Avenue
Brooklyn, NY 11206

District Manager Gerald A. Esposito
Brooklyn Community Board 01
435 Graham Avenue
Brooklyn, NY 11211

New York City Department of Planning – Brooklyn Office
Borough Director
16 Court Street, 7th Fl.
Brooklyn, NY 11241-0103
Tel. 718-780-8280
Fax. 718-596-2609

New York City Housing Preservation and Development
Vicki Been, Commissioner
100 Gold Street
New York, NY 10038

Deputy Director Shaminder Chawla
OER
100 Gold Street, 2nd Floor
New York, NY 10038

2. **<u>OWNERS, RESIDENTS, AND OCCUPANTS ON OR ADJACENT TO THE SITE</u>**

**Note: There are no adjacent properties that are currently vacant. We listed all property owners we could locate for the requested properties and Commercial Occupants. Please note that a majority of these properties are residential apartment buildings. Residential Tenant Lease Agreements are not public record in New York City.

<u>Re: 90 South 4th Street – Block 2443; Lot 9</u>
Helen Heyning
2122 Dry Brook Road
Delhi, New York 13753-3279

<u>Re: 92 South 4th Street – Block 2443; Lot 10</u>
92 South 4th St LLC
c/o Chaskiel Strulovitch
116 Nostrand Avenue
Brooklyn, New York 11205

<u>Re: 94 South 4th Street - Block 2443; Lot 11</u>
Terra Gardens LLC
17213 Hillside Avenue, Suite 201
Jamaica, New York 11432-4654

<u>Re: 96 South 4th Street - Block 2443; Lot 12</u>
Celita Concepsion
80 South 4th Street
Brooklyn, New York 11249

<u>Re: 98-100 South 4th Street - Block 2443; Lot 13</u>
RLBK Property LLC
c/o Meadow Partners LLC
130 E. 59th Street. Suite 130
New York, NY 10022

<u>Commercial Occupants</u>

1. MIUSA Wine Bar
   Owner: Fredericho Bernocchi
   98(A) South 4th Street
   Brooklyn, NY 11249

2. Karkula Furniture Store
   Owner: John Erick Karkula
   98(B) S. 4th Street
   Brooklyn, NY 11249

3. Swords-Smith
Owners: Briana Swords & R. Smith
98(C) S. 4th Street
Brooklyn, NY 11249

<u>Re: 109 South 5th Street - Block 2443; Lot 34</u>
109 South 5th Property LLC
130 E. 59th Street, Suite 100
New York, New York 10032

<u>Re: 330 Berry Street - Block 2442; Lot 23</u>
Meisels TR
c/o Chaim Meisels, Trustee
330 Berry Street
Brooklyn, NY 11249

Chaim Meisels
75 Franklin Avenue
Brooklyn, NY 11211

<u>Re: 332 Berry Street - Block 2442; Lot 24</u>
Charles Griffin
332 Berry Street, Apt L
Brooklyn, NY 11

<u>Re: 338 Berry Street – Block 2442; Lot 25</u>
Berry Street Development Corp.
32 Court Street, Apt PH
Brooklyn, NY 11201

<u>Re: 333 Berry Street - Block 2443; Lot 8</u>
333 Berry Street LLC
333 Berry Street
Brooklyn, New York 11249

20 Hayes Court
Monroe, New York 10950

<u>Re: 343 Berry Street - Block 2443; Lot 5</u>
345 Berry St. Realty, LLC
c/o Geovanni Feliccia
8301 10th Avenue
Brooklyn, NY 11228

<u>Re: 345 Berry Street - Block 2443; Lot 4</u>
345 Berry St. Realty, LLC
c/o Geovanni Feliccia
8310 10th Avenue
Brooklyn, New York 11228

Re: 347 Berry Street - Block 2443; Lot 1
95 South 5th LLC
c/o Horrigan Development
Robert Reiger, Manager
10 Glenville Street, 1st Floor
Greenwich, CT 06831

Re: 364 Bedford Avenue - Block 2443; Lot 23
South 4 Residence LLC
199 Lee Avenue
Suite 308
Brooklyn, NY 11211

Re: 370 Bedford Avenue - Block 2443; Lot 26
613 SG LLC
659 Bedford Avenue
Brooklyn, NY 11211

Re: 374 Bedford Avenue - Block 2443; Lot 28
South Five Holdings LLC
390 Berry Street, Suite 200
Brooklyn, NY 11249

Re: 376 Bedford Avenue - Block 2443; Lot 29
ACHUDS LLC
199 Lee Avenue #323
Brooklyn, NY 11211-8919

ACHUDS LLC
11 Clymer Street
Brooklyn. NY

Re: 378 Bedford Avenue - Block 2443; Lot 30
Rafael Olivo Perez
227 South 2nd Street, Apt #1
Brooklyn, NY 11211

Rafael Olivo Perez
378 Bedford Avenue
Brooklyn, NY 11249-5513

3. **LOCAL NEWS MEDIA**

New York Post
1211 Avenue of Americas
New York, New York 10036-8790
Phone: 212-930-8000

4. **PUBLIC WATER SUPPLIER**

NYC Department of Environmental Protection
Customer Service Center
59-17 Junction Boulevard, 13th Floor
Flushing, NY 11373

5. **<u>ANY PERSON, COMMUNITY BASED ORGANIZATION, BOA GROUP, OR LOCAL MEDIA WHO HAS REQUESTED TO BE PLACED ON THE CONTACT LIST.</u>**

At this point, no requests have been made to be placed on the site contact list.

6. **<u>ADMINISTRATOR/OPERATOR OF ANY SCHOOL OR DAY CARE FACILITY LOCATED ON OR NEAR THE SITE.</u>**

None located on or near the site.

7. **<u>LOCATION OF DOCUMENT REPOSITORY</u>**

Brooklyn Public Library
Williamsburgh Branch
240 Division Avenue
Brooklyn, NY 11216

Hamilton Fish Park Library
415 East Houston Street
New York, NY, 10002

8. **<u>COMMUNITY BOARD</u>**

District Manager Gerald A. Esposito
Brooklyn Community Board 01
435 Graham Avenue
Brooklyn, NY 11211

9. **<u>LOCAL SCHOOLS</u>**

NYC Public School 084
The Jose De Diego School
Attn: Administrator
250 Berry Street
Brooklyn, NY 11249
(718)384-8063

The Williamsburg Neighborhood Nursery School
Attn: Administrator
54 South 2nd Street
Brooklyn, NY 11249
(718)782-4181

NYC Junior High School 050
John D. Wells School
Attn: Administrator
183 South 3rd Street
Brooklyn, NY 11211
(718)387-4184

Success Academy Williamsburg
Attn: Administrator
183 South 3^{rd} Street
Brooklyn, NY 11211
(718)704-1419

SITE'S PROPOSED USE

Applicant: LPC Development Group LLC
Address: 105 S. 5th Street, Brooklyn, NY 11249
Date: April 6, 2016
Section: X, 3

SITES PROPOSED USE

LPC Development Group, LLC plans to develop 105 S. 5th Street located in the Williamsburg section of Brooklyn, New York. The Site is approximately 15,420 square feet and currently consists of a vacant, approximately 10,000-square foot one-story commercial warehouse affordable housing building on the north side of the site and undeveloped vegetated land on the south side of the side. The proposed development consists of an 11-story building with retail and community facility use on the first floor and residential apartment units on the remaining floors. The project will have 54 residential Units and 1 Superintendent's Unit. The remainder of the site will consist of a paved parking lot and landscaped areas.

ULURP: MAYORAL APPROVAL

THE MAYOR
CITY OF NEW YORK

November 23, 2015

Cal. No. 7

WHEREAS, The Department of Housing Preservation and Development ("HPD") of the City of New York ("City") has proposed to the Council the sale of certain City-owned real property located in the Borough of Brooklyn, City and State of New York, known as:

Block	Lot(s)
2443	6
2443	37
2443	41

on the Tax Map of the City and as 105 South 5th Street in HPD's Extremely Low and Low Income Affordability Program (ELLA) ("Disposition Area"); and

WHEREAS, the Council, pursuant to Article 16 of the General Municipal Law, has held a public hearing upon due notice and has (i) approved the designation of the Disposition Area as an Urban Development Action Area, and (ii) approved the proposed project ("Project") as an Urban Development Action Area Project, and

WHEREAS, the City Planning Commission duly filed with the Council and the affected Borough President its approval (Report No. C150358HAK, dated (9/22/15) of the use and disposition of the Disposition Area in conformity with the land use review procedures required by Sections 197-c and 197-d of the Charter, which have been adhered to; and

WHEREAS, the action of the City Planning Commission has been approved or deemed approved by the Council pursuant to Section 197-d of the Charter; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Part 617 of Volume 6 of the Codes, Rules and Regulations of the State of New York, Chapter 5 of Title 62 of the Rules of the City of New York, and Mayoral Executive Order No. 91 of August 24, 1977, as amended, HPD has issued a Negative Declaration which has been duly considered by the Mayor; and

WHEREAS, HPD has designated **LPC Development Group LLC** ("Sponsor") as a qualified and eligible sponsor; and

WHEREAS, it is anticipated that the Project to be developed by Sponsor will contain one building containing approximately 55 dwelling units, approximately 4,004 square feet of commercial space, approximately 1,120 square feet of community facility space and approximately 1,946 square feet of passive open space; and

WHEREAS, a proposed agreement ("Land Disposition Agreement") between the City and Sponsor providing for the sale of the Disposition Area to Sponsor for the nominal price of $1.00 per tax lot ("Disposition Price") and setting forth the terms and conditions for the development of the Disposition Area has been submitted to the Mayor; and

WHEREAS, the Mayor has held a public hearing upon due notice published in The City Record, as required by Section 1802(6)(j) of the Charter, and in a newspaper of general circulation in New York City, as required by Section 695(2)(b) of the General Municipal Law; and

WHEREAS, as certified below, a duly noticed public hearing in the matter of the disposition, pursuant to Section 1802(6)(j) of the Charter, was held and closed by the Mayor on November 23, 2015 (Cal. No. 7). At such public hearing, no amendments were made and no testimony was offered. The relevant portion of the calendar is annexed hereto.

CERTIFICATION by the Mayor's Office Of Contract Services/Public Hearings Unit of the actions at and final disposition of the Real Property Public Hearing held on November 23 2015 (Cal. No. 7).

Jacqueline Galory | Hearing Secretary | December 1, 2015

NAME | TITLE | DATE

NOW THEREFORE:

1. The Mayor hereby approves the designation of Sponsor as a qualified and eligible sponsor.

2. The Mayor hereby authorizes and approves the sale of the Disposition Area at the Disposition Price by negotiated sale, without public auction or sealed bids.

3. The Mayor hereby approves the Land Disposition Agreement in substantially the form submitted and authorizes the subordination of the Land Disposition Agreement to the lien of mortgages securing loans financing the Project.

4. The Mayor hereby authorizes any Deputy Mayor or the Commissioner of HPD to execute a Land Disposition Agreement in substantially the form submitted, when approved as to form by the Corporation Counsel, and directs the City Clerk or acting City Clerk to attest the same and to affix the seal of the City thereto.

5. The Mayor hereby authorizes the City, as more particularly described in the Land Disposition Agreement, to indemnify Sponsor and its successors or assigns, holders of mortgages securing loans financing the Project and their successors or assigns, and title companies against any claims of interest in the Disposition Area, or any portion thereof, by the holders of any mortgages of record against the Disposition Area, or any portion thereof, at the time the City acquired title.

6. The Mayor hereby authorizes any Deputy Mayor or the Commissioner of HPD to execute and deliver to Sponsor, or to an affiliate or successor of Sponsor controlled by the same principal(s) that controlled Sponsor, a deed of conveyance of title to the Disposition Area, when approved as to form by the Corporation Counsel, at the Disposition Price, without public auction or sealed bids, and upon the terms and conditions contained in the Land Disposition Agreement, and directs the City Clerk or acting City Clerk to attest said deed and to affix the seal of the City thereto.

Date: 12-1, 2015

By: Paul Prissel

Paul Prissel, General Counsel
Mayor's Office of Contract Services

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

BOROUGH OF BROOKLYN

No. 7

R – 00106

PUBLIC HEARING in the matter of the disposition of certain real property owned by the City of New York ("City"), as submitted by the Department of Housing Preservation and Development ("HPD"), pursuant to Section 695(2)(b) of the General Municipal Law and Section 1802(6)(j) of the Charter, located in the Borough of Brooklyn and known as:

Address	Block/Lot(s)
337 Berry Street	2443/6
101 South 5th Street	2443/37
99 South 5th Street	2443/41

on the Tax Map of the City and as 105 South 5th Street in HPD's Extremely Low and Low Income Affordability Program (ELLA) ("Disposition Area") to LPC Development Group LLC ("Sponsor").

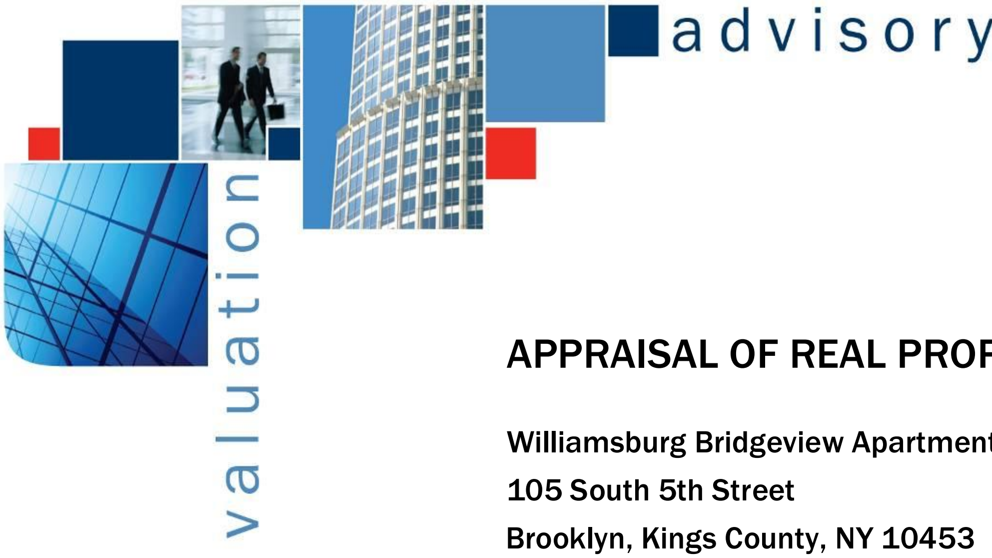
Under HPD's Extremely Low and Low Income Affordability Program, sponsors purchase City-owned land or vacant buildings and construct or rehabilitate multifamily buildings in order to create affordable rental housing. Construction and permanent financing is provided through loans from private institutional lenders and from public sources including HPD, the New York City Housing Development Corporation, the State of New York, and the federal government. Additional funding may also be provided from the syndication of low-income housing tax credits. The newly constructed or rehabilitated buildings provide rental housing to low-income families. Subject to project underwriting, up to 30% of the units may be rented to formerly homeless families.

Under the proposed project, the City will sell the Disposition Area to LPC Development Group LLC ("Sponsor") for the nominal price of one dollar per tax lot. Sponsor will also deliver an enforcement note and mortgage for the remainder of the appraised value. Sponsor will then construct one mixed-use residential building containing 54 rental dwelling units, plus one unit for a superintendent, approximately 4,004 square feet of commercial space, and approximately 1,120 square feet of community facility space on the Disposition Area. Sponsor will also develop approximately 1,946 square feet of passive recreational open space located at the rear of the building and on the roof of the second story, above the building's community facility space.

The Land Debt will be repayable out of resale or refinancing profits for a period of thirty (30) years following completion of construction. The remaining balance, if any, may be forgiven in the 30th year.

Close the Hearing.

APPRAISAL



APPRAISAL OF REAL PROPERTY

Williamsburg Bridgeview Apartments
105 South 5th Street
Brooklyn, Kings County, NY 10453

IN AN APPRAISAL REPORT
As of October 29, 2015

Prepared For:
Capital One Bank N.A.
299 Park Avenue
New York, NY 10171

Prepared By:
Cushman & Wakefield, Inc.
Valuation & Advisory
1290 Avenue of the Americas
New York, NY 10104
C&W File ID: 15-12002-902997

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

CUSHMAN & WAKEFIELD, INC.
1290 AVENUE OF THE AMERICAS
NEW YORK, NY 10104

Williamsburg Bridgeview Apartments
105 South 5th Street
Brooklyn, Kings County, NY 10453

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

1290 AVENUE OF THE AMERICAS
NEW YORK, NY 10104

November 18, 2015

Tara Boyan, MAI
Real Estate Technical Services (RETECHS)
Capital One Bank N.A.
299 Park Avenue
New York, NY 10171

Re: Appraisal of Real Property
In an Appraisal Report

Williamsburg Bridgeview Apartments
105 South 5th Street
Brooklyn, Kings County, NY 10453

C&W File ID: 15-12002-902997
Client ID: 15-001709-01

Dear Ms. Boyan:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above captioned property in an appraisal report dated November 18, 2015. The effective date of value is October 29, 2015.

The appraisal determines the market value of the subject property in its as is condition. The appraisal also determines the prospective market value upon completion of the proposed development based upon both an affordable housing and market rate scenario. Cushman & Wakefield, Inc. has not performed a previous appraisal of the subject site, or provided other services as an appraiser, or in any other capacity within the three years prior to this assignment. The subject property consists of a development site that is to be developed with a proposed 11-story affordable housing building with a retail and community facility component on the ground floor.

This appraisal report has been prepared in accordance with our interpretation of your institution's guidelines, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the *Uniform Standards of Professional Appraisal Practice* (USPAP).

MARKET VALUE AS IS

Based on our Appraisal as defined by the *Uniform Standards of Professional Appraisal Practice*, we have developed an opinion that the Market Value of the Fee Simple Interest of the subject property, subject to the assumptions and limiting conditions, certification, extraordinary assumptions and hypothetical conditions, if any, and definitions, "As-Is" on October 29, 2015, was:

ONE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS

$1,950,000

MARKET VALUE AS IF VACANT

Based on our Appraisal as defined by the *Uniform Standards of Professional Appraisal Practice*, we have developed an opinion that the Market Value of the Fee Simple Interest of the subject property, subject to the assumptions and limiting conditions, certification, extraordinary assumptions and hypothetical conditions, if any, and definitions, "As-Is" on October 29, 2015, was:

TWO MILLION TWO HUNDRED THOUSAND DOLLARS

$2,200,000

AFFORDABLE HOUSING SCENARIO

PROSPECTIVE MARKET VALUE UPON COMPLETION

Furthermore, we have developed an opinion that the Prospective Market Value of the Leased Fee Interest of the proposed development, as of July 1, 2017, the prospective date of completion, assuming the property is operated under the auspices of the low-income housing tax credit regulations, and subject to the assumptions and limiting conditions, certification, extraordinary and hypothetical conditions, if any, and definitions, with conditions prevailing as of October 29, 2015, will be:

TWENTY FOUR MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS

$24,450,000

PROSPECTIVE MARKET VALUE UPON STABILIZATION

In addition, we have formed an opinion that the Prospective Market Value of the Leased Fee Interest of the proposed development, as of December 1, 2017, the prospective date of stabilization, assuming the property is operated under the auspices of the low-income housing tax credit regulations, and subject to the assumptions and limiting conditions, certification, extraordinary assumptions and hypothetical conditions, if any, and definitions, with conditions prevailing as of October 29, 2015, will be:

TWENTY FOUR MILLION NINE HUNDRED THOUSAND DOLLARS

$24,900,000

The prospective market values for the affordable housing scenario reported above are **inclusive** of the prospective market value of the 420c tax abatement, which is estimated to be to be **$4,200,000**, the present value of the ICAP tax abatement, which is estimated to be **$200,000**, the present value of submarket financing estimated to be **$7,800,000**, and the value of the low income housing tax credit estimated to be **$10,200,000**.

MARKET RATE SCENARIO – HYPOTHETICAL CONDITION

PROSPECTIVE MARKET VALUE UPON COMPLETION

Furthermore, we have developed an opinion that the Prospective Market Value of the Fee Simple Interest of the subject property, as of July 1, 2017, the prospective date of completion, based upon the hypothetical condition that the property is operated as market rate rental housing, and subject to the assumptions and limiting conditions, certification, extraordinary and hypothetical conditions, if any, and definitions, with conditions prevailing as of October 29, 2015, will be:

TWENTY NINE MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS

$29,450,000

PROSPECTIVE MARKET VALUE UPON STABILIZATION

In addition, we have formed an opinion that the Prospective Market Value of the Fee Simple Interest of the subject property, as of December 1, 2017, the prospective date of stabilization, based upon the hypothetical condition that the property is operated as market rate rental housing, and subject to the assumptions and limiting conditions, certification, extraordinary assumptions and hypothetical conditions, if any, and definitions, with conditions prevailing as of October 29, 2015, will be:

THIRTY MILLION THREE HUNDRED THOUSAND DOLLARS

$30,300,000

The prospective market values for the market rate scenario reported above are **inclusive** of the present value of the ICAP tax abatement, which is estimated to be **$200,000**, but does not include any other intangible value components.

EXTRAORDINARY ASSUMPTIONS

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions.

This appraisal employs three extraordinary assumptions. 1) The prospective market value estimates are based upon market participant attitudes and perceptions existing as of the effective date of our appraisal, and assumes the subject property is completed and/or achieves stabilization as of our prospective date. We assume no material change in the physical characteristics and condition of the subject development or in overall market conditions between the date of inspection and effective date of value, except for those identified within the report. Any undue delay in the construction timeline could materially impact the value conclusion reported herein. 2) It is assumed that the proposed improvements are constructed in a quality manner in accordance with the information communicated to us by the developer. If the design or quality differs from that which has been considered herein, the value conclusions could be impacted accordingly. 3) We have been provided with information from the developer regarding the negotiated rent levels, income qualifications, tax abatement, submarket financing, and low-income housing tax credits, which has been relied upon in our analysis. Should we be provided with any information would changes these assumptions, the value conclusions contained herein could be materially impacted.

HYPOTHETICAL CONDITIONS

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions.

This appraisal employs two hypothetical conditions. 1) As part of the Scope of Work, we have developed an opinion of the prospective market value of the subject property upon completion and stabilization as if the property is operated as market rate rental housing. 2) As part of the Scope of Work, we have developed an opinion of the market value of the subject site as if vacant.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD, INC.

Nicholas Doray
Associate Director
NY Licensed Appraiser Assistant
License No. 48000047725

John T. Feeney, Jr.
Executive Director
NY Certified General Appraiser
License No. 46000028659

Robert S. Nardella, MAI, MRICS
Executive Managing Director
NY Certified General Appraiser
License No. 46000004620

CLIENT SATISFACTION SURVEY

As part of our quality monitoring campaign, attached is a short survey pertaining to this appraisal report and the service that you received. Would you please take a few minutes to complete the survey to help us identify the things you liked and did not like?

Each of your responses will be catalogued and reviewed by members of our national Quality Control Committee, and appropriate actions will be taken where necessary. Your feedback is critical to our effort to continuously improve our service to you, and is sincerely appreciated.

To access the questionnaire, please click on the link here:

http://www.surveymonkey.com/s.aspx?sm=_2bZUxc1p1j1DWj6n_2fswh1KQ_3d_3d&c=15-12002-902997

The survey is hosted by Surveymonkey.com, an experienced survey software provider. Alternatively, simply print out the survey attached in the Addenda of this report and fax it to (716) 852-0890.

Summary of Salient Facts and Conclusions

The subject site is located mid-block with frontage on Berry Street between South 4th and South 5th Streets and on the north side of South 5th Street between Berry Street and Bedford Avenue. The irregularly shaped parcel contains 15,942 square feet and is currently improved with a 10,000 square foot vacant warehouse building. Ownership intends to demolish the existing improvements and construct an affordable housing development on the site that contains a retail and community facility component on the ground floor. Upon completion, the proposed development will have an above grade gross building area of 60,573 square feet.

Upon completion, the proposed development will contain a total of 55 residential apartments, of which 54 will be rentable as one unit will be occupied by an on-site superintendent. The rentable residential units will have a total net rentable area of 37,240 square feet. In addition to the residential units, the development will contain 3,903 square feet of retail space and 1,029 square feet of community facility space on the ground floor. Amenities for the proposed building includes bike storage, on-site laundry, and outdoor recreation space. The development will also feature 14 surface parking spaces in the rear of the site.

The developer indicates that the proposed development will be completed within 20 months. The typical construction period for affordable housing developments in the City is 18 to 24 months. Given the size and nature of the development, we believe a 20 month period is reasonable. As such, we have modeled for completion as of July 1, 2017.

The following is an executive summary of the information that we present in more detail in the report.

BASIC INFORMATION			
Common Property Name:	Williamsburg Bridgeview Apartments	**Report Type:**	Appraisal
Address:	105 South 5th Street	**Interest Appraised:**	Fee Simple - As Is Leased Fee - Upon Completion/Stabilization
City:	Brooklyn	**Date of Value As Is:**	10/29/15
State:	NY	**Date of Value Upon Completion:**	7/1/17
Zip Code:	10453	**Date of Value Upon Stabilization:**	12/1/17
County:	Kings	**Date of Inspection:**	10/29/15
Property Ownership Entity:	Department of Housing Preservation & Development	**Date of Report:**	11/18/15
CW File Reference:	15-12002-902997		

SITE INFORMATION			
Land Area Gross SF:	15,942	**Site Utility:**	Average
Flood Zone:	X	**Site Topography:**	Level at street grade
Flood Map Number:	360497-0082F	**Site Shape:**	Irregularly shaped
Flood Map Date:	9/5/07	**Frontage:**	Good
		Access:	Average
		Visibility:	Good
		Location Rating:	Good
		Type of Parking Spaces:	Surface

BUILDING INFORMATION			
Type of Property:	Affordable Housing Development	**Actual Age:**	Construction is estimated to be completed by July 1, 2017.
Number of Residential Units:	55	**Quality:**	Very Good Upon Completion
		Condition:	Excellent Upon Completion
Number of Buildings:	1		
Gross Building Area (Above Grade):	60,573 SF		
Net Rentable Area:	42,172 SF		
Number of Stories:	11		

MUNICIPAL INFORMATION			
Assessor's Parcel Identification:	Block 2443 Lots 6, 37, and 41	**Municipality Governing Zoning:**	City of New York
Assessing Authority:	City of New York	**Current Zoning:**	M1-2/R6 Special Mixed Use District (MX-8) in the Upland Area of the Greenpoint-Williamsburg Inclusionary Housing District
Current Tax Year:	2015/2016	**Is proposed use permitted:**	Yes
Taxable Assessment:	$444,575		
Current Tax Liability:	$0		

HIGHEST & BEST USE	
As Vacant:	**As Improved:**
Construction of a mixed-us affordable housing development built to its maximum potential density.	Demolition of the existing improvements and construction of a mixed-use affordable housing development built as proposed.

VALUATION INDICES	Market Value As Is	Prospective Value Upon Completion	Prospective Value Upon Stabilization
COST APPROACH			
Land (As-If Vacant):	$2,200,000	N/A	N/A
Land (As-Is):	$1,950,000	N/A	N/A
Indicated Value:	N/A	$24,900,000	N/A
SALES COMPARISON APPROACH			
Market Rate Scenario			
Indicated Value:	N/A	$28,350,000	$29,200,000
INCOME CAPITALIZATION APPROACH			
Affordable Scenario			
Direct Capitalization Indicated Value (inclusive of all intangible components):	N/A	$24,450,000	$24,900,000
Market Rate Scenario			
Indicated Value:	N/A	$29,450,000	$30,300,000
VALUE OF INTANGIBLE COMPONENTS			
420c Tax Abatement:	N/A	N/A	$4,200,000
ICAP Tax Abatement:	N/A	N/A	$200,000
Low Income Housing Tax Credits:	$10,200,000	N/A	N/A
Below Market Financing:	$7,800,000	N/A	N/A
EXPOSURE TIME			
Exposure Time:		6 to 9 Months	
Marketing Time:		6 to 9 Months	

EXTRAORDINARY ASSUMPTIONS

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions.

This appraisal employs three extraordinary assumptions. 1) The prospective market value estimates are based upon market participant attitudes and perceptions existing as of the effective date of our appraisal, and assumes the subject property is completed and/or achieves stabilization as of our prospective date. We assume no material change in the physical characteristics and condition of the subject development or in overall market conditions between the date of inspection and effective date of value, except for those identified within the report. Any undue delay in the construction timeline could materially impact the value conclusion reported herein. 2) It is assumed that the proposed improvements are constructed in a quality manner in accordance with the information communicated to us by the developer. If the design or quality differs from that which has been considered herein, the value conclusions could be impacted accordingly. 3) We have been provided with information from the developer regarding the negotiated rent levels, income qualifications, tax abatement, submarket financing, and low-income housing tax credits, which has been relied upon in our analysis. Should we be provided with any information would changes these assumptions, the value conclusions contained herein could be materially impacted.

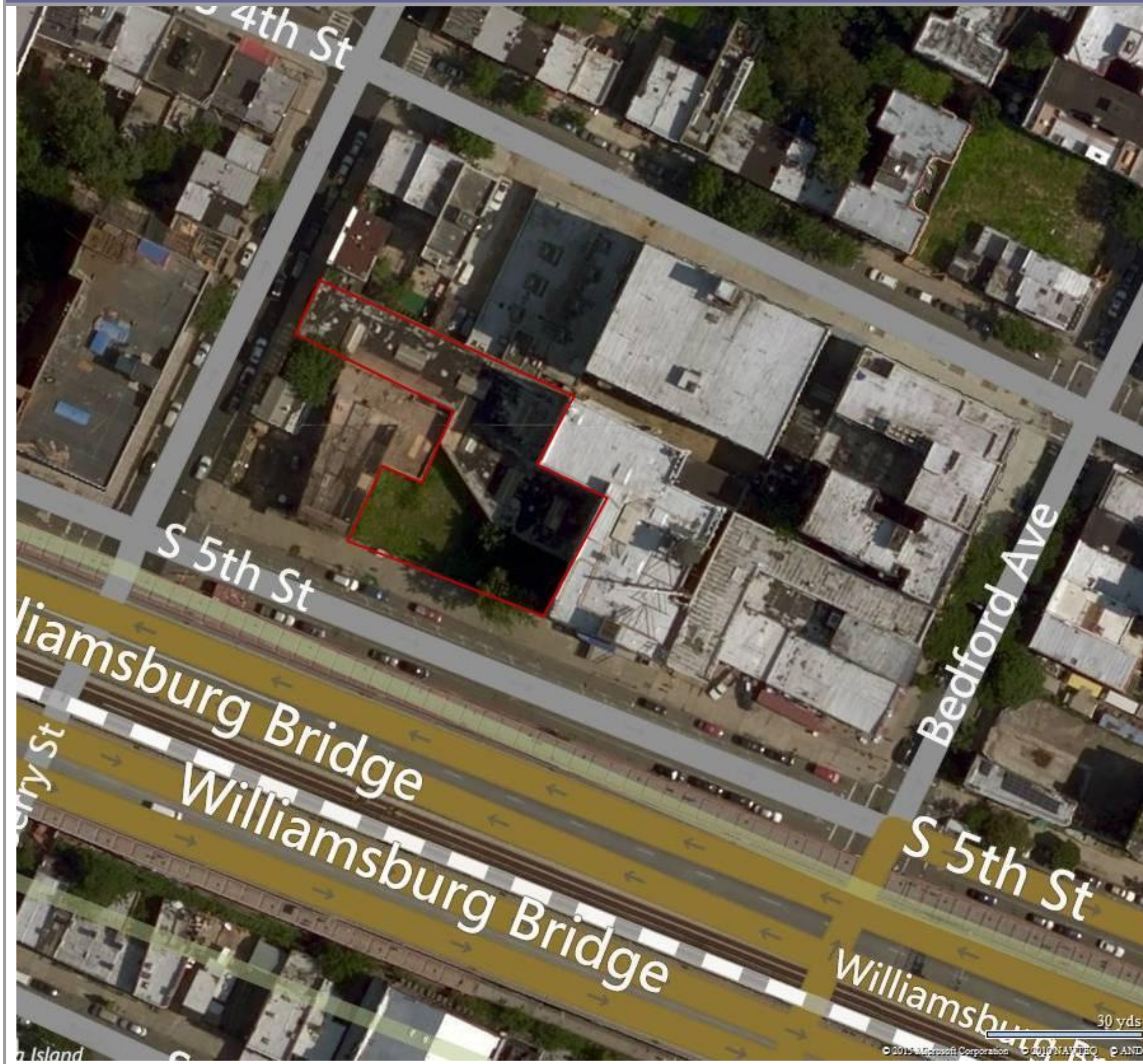
HYPOTHETICAL CONDITIONS

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions.

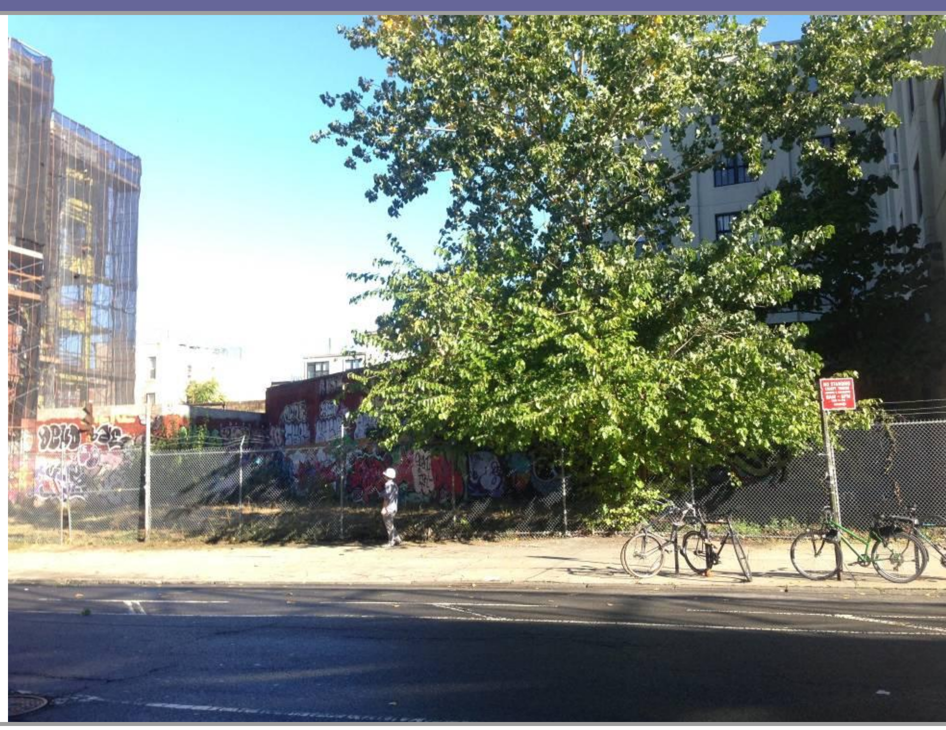
This appraisal employs two hypothetical conditions. 1) As part of the Scope of Work, we have developed an opinion of the prospective market value of the subject property upon completion and stabilization as if the property is operated as market rate rental housing. 2) As part of the Scope of Work, we have developed an opinion of the market value of the subject site as if vacant.

Property Photographs

AERIAL MAP

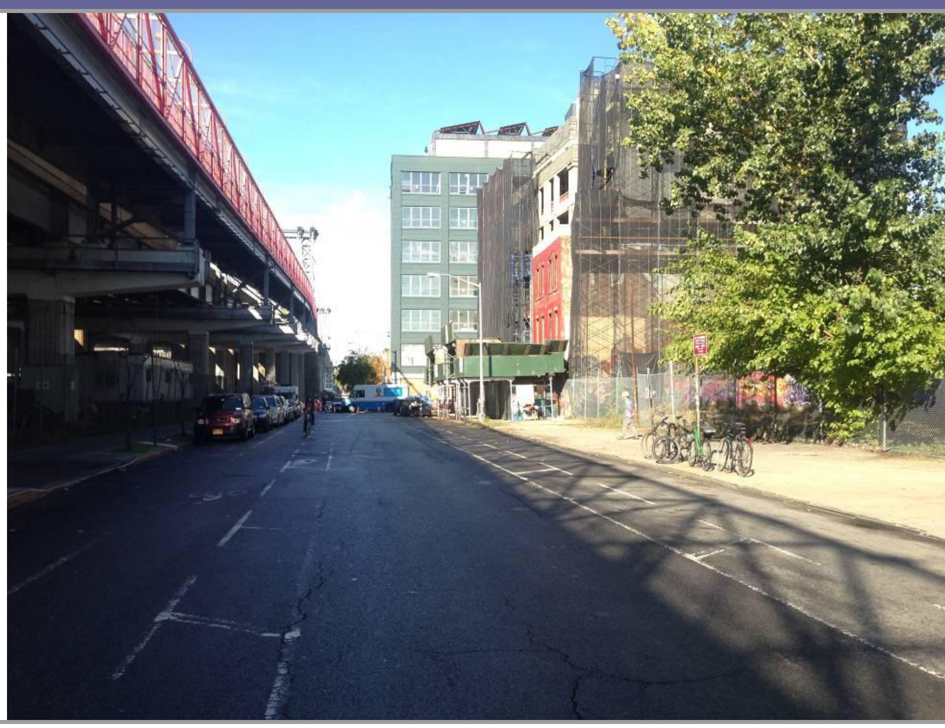


View of subject site looking north across South 5th Street.



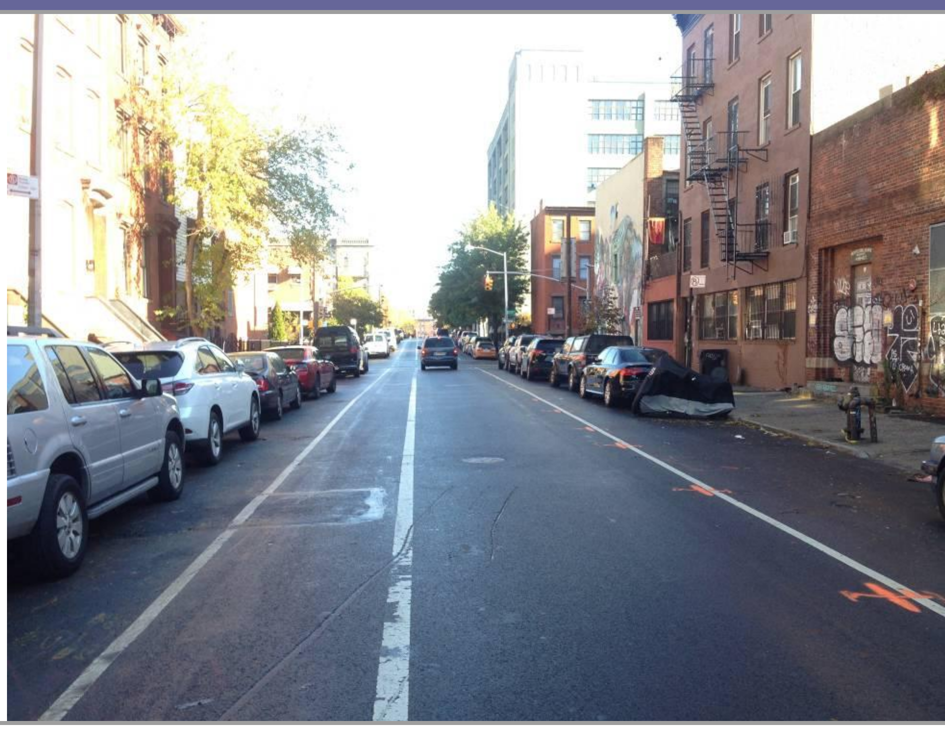
Alternate view of the subject site looking north across South 5th Street.

Street scene looking east along South 5th Street. Subject site is on the left.



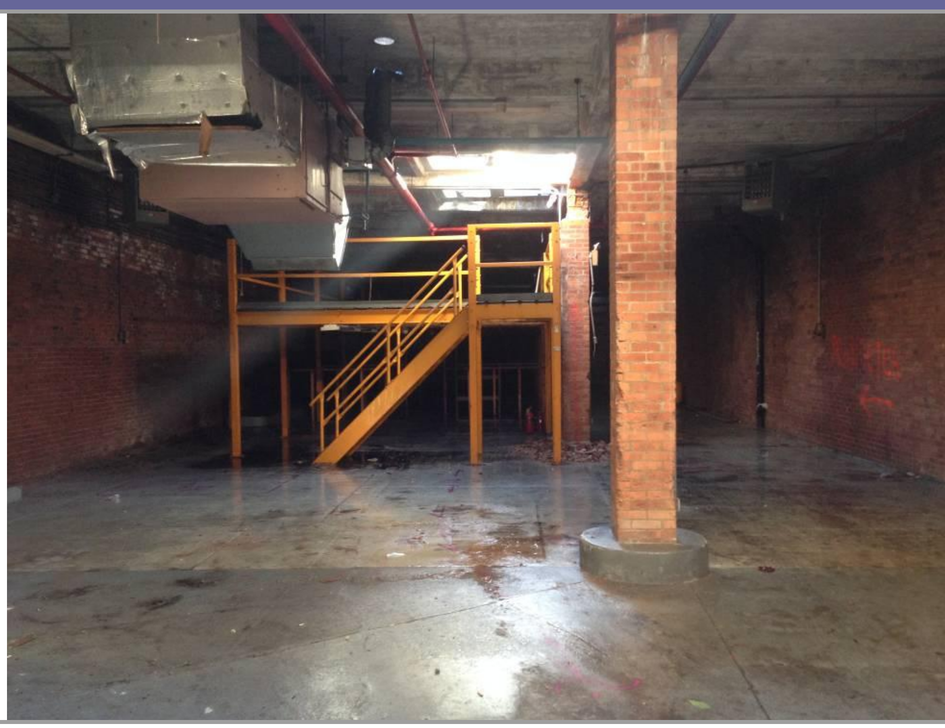
Street scene looking west along South 5th Street. Subject site is on the right.

View of the subject site looking east across Berry Street that is presently improved with a warehouse building.



Street scene looking north along Berry Street. Subject site is on the right.

Street scene looking south along Berry Street. Subject site is on the left.



Interior view of warehouse building that is currently improved on the subject site.

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Introduction

SCOPE OF WORK

This appraisal, presented in an appraisal report, is intended to comply with the reporting requirements outlined under the USPAP for an appraisal report. The report was also prepared to comply with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Title XI Regulations.

Cushman & Wakefield, Inc. has not performed a previous appraisal of the subject site within the three years prior to this assignment.

Cushman & Wakefield, Inc. has an internal Quality Control Oversight Program. This Program mandates a “second read” of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature.

The scope of this appraisal required collecting primary and secondary data relevant to the subject property. We investigated numerous land and improved apartment building in the subject’s market, analyzed rental data, and considered the input of buyers, sellers, brokers, property developers and public officials. We also investigated the general regional economy as well as the specifics of the subject property’s local area.

As part of the Scope of Work, we have analyzed the intangible components (tax abatements, below and low-income housing tax credits), of value separately.

The data have been thoroughly analyzed and confirmed with sources believed to be reliable, leading to the value conclusions in this report. The valuation process used generally accepted market-derived methods and procedures appropriate to the assignment.

This appraisal employs the Cost Approach, Sales Comparison Approach, and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary by market participants. We have utilized the Sales Comparison Approach only in the market rate scenario of our analysis. As an affordable housing development, the majority of the subject building's prospective market value is derived from intangible benefits resulting from various sources of submarket financing as well as tax abatements and low-income housing tax credits. There are no sales of physically nor economically similar buildings to which a meaningful comparison can be made as an affordable housing development. As such, the Sales Comparison Approach is not applicable in this scenario. However, we have utilized the Sales Comparison Approach in our analysis of the subject property under the hypothetical condition that it is operated as market rate housing. We have utilized the Income Capitalization Approach to determine the prospective market value of the subject property, as well as the value of the intangible benefits as this most closely resembles the methodology used by market participants.

REPORT OPTION DESCRIPTION

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms “describe,” summarize,” and “state” connote different levels of detail, with “describe” as the most comprehensive approach and “state” as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- Describes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- Describes the type and definition of value and its source
- Describes the Scope of Work used to develop the appraisal
- Describes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- Describes the use of the property as of the valuation date
- Describes the rationale for the Highest and Best Use opinion

IDENTIFICATION OF PROPERTY

Common Property Name: Williamsburg Bridgeview Apartments

Location: The subject property is located at 105 South 5th Street in Brooklyn, Kings County, New York 10453

Assessor's Parcel Numbers: Block 2443 Lots 6, 37, and 41

Legal Description: A metes and bounds legal description has been retained in the files of the appraisers.

PROPERTY OWNERSHIP AND RECENT HISTORY

Current Ownership: Department of Housing Preservation & Development

Sale History: To the best of our knowledge the property has not transferred in the last three years.

Current Disposition: The site is reportedly under contract between Department of Housing Preservation & Development (HPD) and Procida Companies for a total consideration of $1. The grantee intends to demolish the existing improvements on the site and develop the site with an affordable housing development.

DATES OF INSPECTION AND VALUATION

Date of Valuation:

As Is: October 29, 2015

Upon Completion: July 1, 2017

Upon Stabilization: December 1, 2017

Date of Inspection: October 29, 2015

Property Inspected by: Nicholas Doray and John T. Feeney, Jr.

CLIENT, INTENDED USE AND USERS OF THE APPRAISAL

Client: Capital One Bank N.A.

Intended Use: This appraisal provides an opinion of the Market Value of the Fee Simple Interest of the subject property in its as is condition. Additionally, the appraisal provides an opinion of the Prospective Market Value of the Leased Fee Interest of the subject property upon completion and stabilization, estimated to be July 1, 2017, and December 1, 2017, respectively, based upon both affordable housing and market rate scenarios.

The report is to be used in connection with loan underwriting and potential mortgage financing. This report is not intended for any other use.

Intended Users: This report is for use and benefit of, and may be relied upon by Capital One Bank N.A. and/or affiliates, as well as the New York City Housing Development Corporation its successors, assigns and/or its affiliates and subsidiaries and the City of New York acting by and through its Department of Housing Preservation and development.

The report may not be distributed to or relied upon by any other persons or entities without the written permission of Cushman & Wakefield, Inc.

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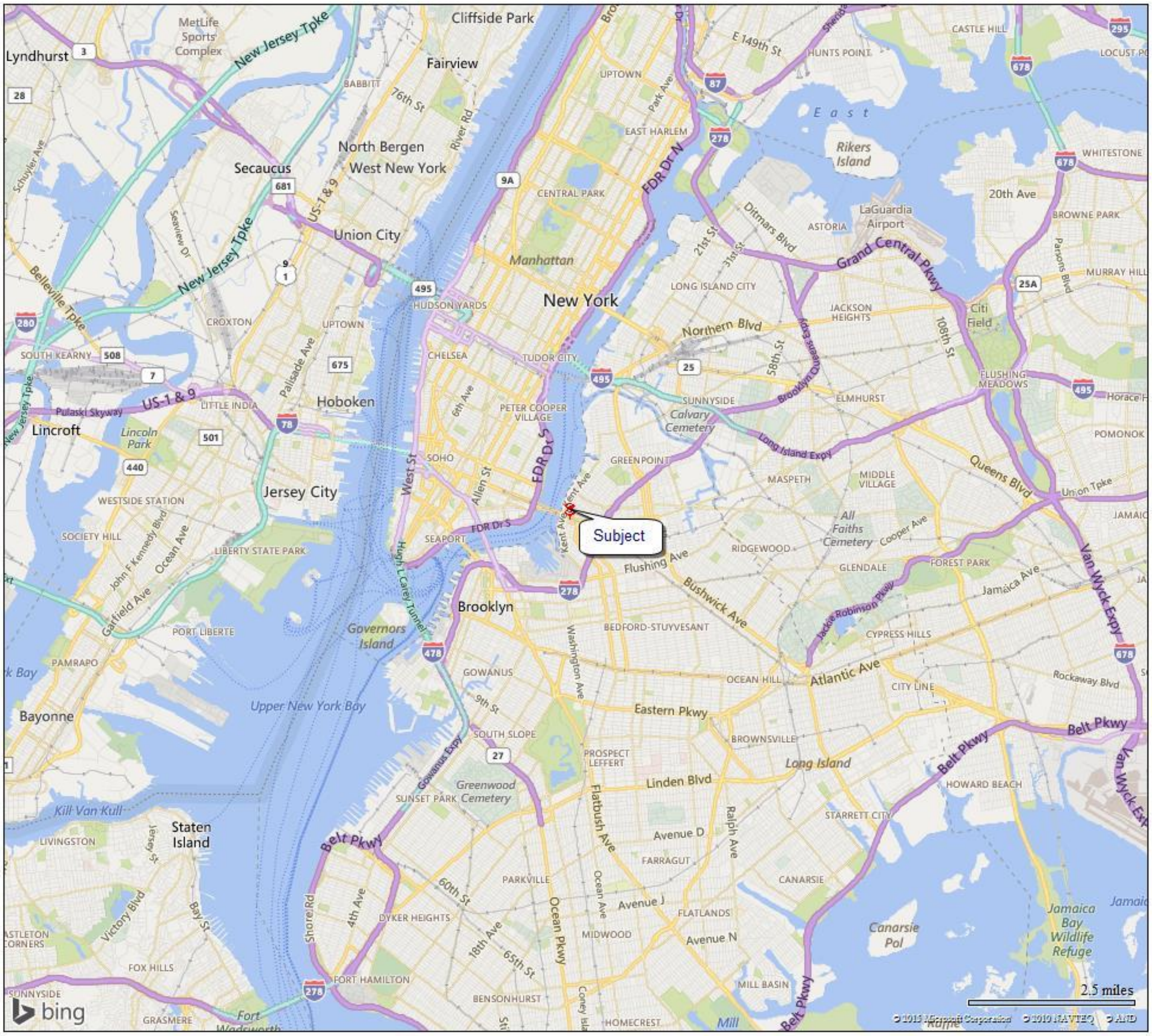
New York City Regional Analysis

REGIONAL MAP



INTRODUCTION

MARKET DEFINITION

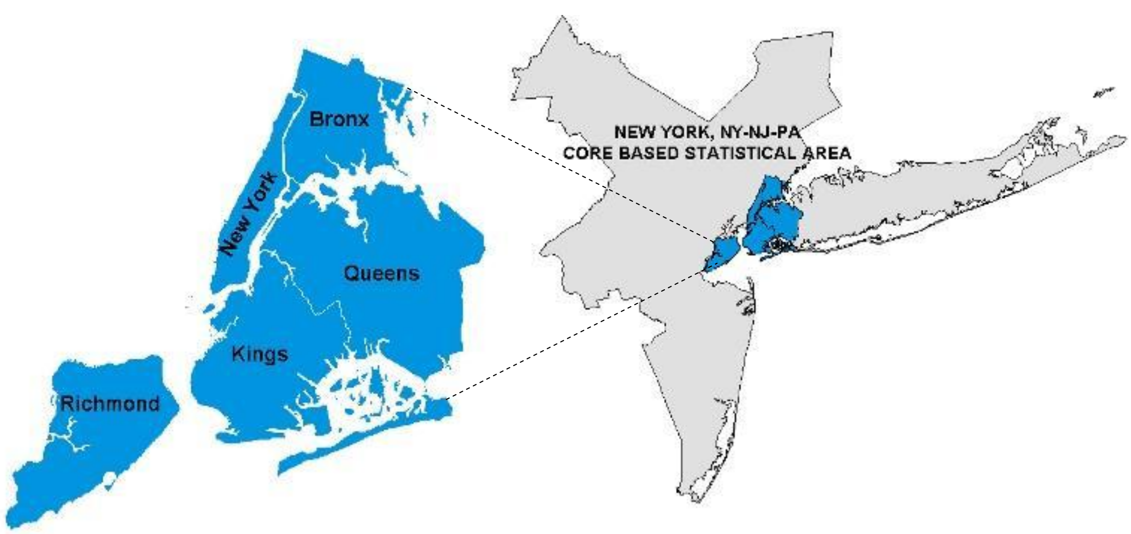
New York City consists of five counties at the mouth of the Hudson River in the southeast area of New York State. The borough of Manhattan, also referred to as New York County, forms the political, financial and cultural core of the city. It is the economic growth engine of the Greater New York Region. The city's other boroughs are Brooklyn, Queens, Staten Island, and the Bronx, otherwise known as Kings, Queens, Richmond, and Bronx counties, respectively. The area's vast mass transit infrastructure connects the five boroughs as well as the surrounding suburban areas, forming the Greater New York Region. This region covers 21 counties in the southeastern section of New York State, southwestern corner of Connecticut, and Central and Northern New Jersey.

The following are notable points about New York City:

- The city is home to the two largest stock exchanges in the world, the New York Stock Exchange and the NASDAQ.
- New York houses many large financial institutions, including Citigroup, JP Morgan Chase, Goldman Sachs, Barclay's and Bank of America.
- New York City is home to the headquarters of 48 companies on the 2014 Fortune 500 list.

The following map highlights the Metropolitan Statistical Area (MSA) of New York, NY:

NEW YORK CITY COUNTIES



Source: Claritas, Inc., Cushman & Wakefield Valuation & Advisory

CURRENT TRENDS

New York City's economy is growing modestly on the strength of steady employment gains over the past few years. The city has recovered all of the jobs lost during the great recession, well ahead of most cities in the nation, and total employment recently reached an all-time high. The recent job gains have come in many sectors, and the city's employment diversity has helped weather the finance industry's struggles. A major source of recent economic growth has been the city's tourism industry. NYC & Company, the city's tourism bureau, estimates that

New York City had a record 56.4 million visitors in 2014, up from 54.3 million in 2013. They created $61.3 billion in economic impact and sustained 359,000 tourism-related jobs paying $21.0 billion in wages. This boom in the industry explains the city's expansion in related employment sectors, and will continue to help the local economy.

A huge boom in tourism has subsequently enabled hotel occupancy rates to keep up with room boom beyond Manhattan. A growing number of independent and brand-name hotels have been lining the city's outer boroughs. In fact, between January and November 2014, outer-borough occupancy rates ran as high as 81.0 percent, according to STR, a hospitality-industry research firm. Most hotel markets operate at 65.0 occupancy, while Manhattan is pushing 83.0 percent. Many hoteliers have turned to the outer boroughs to accommodate tourists who cannot get a reservation in Manhattan's tight hotel market or think it is too pricey. More than 100 hotels are scheduled to open across Brooklyn, Queens, Staten Island and the Bronx over the next 36 months. Queens is on pace to add nearly 50 properties in the next four years, 23 of which will be in Long Island City. Meanwhile, Brooklyn added two new hotels last year, bringing its total to 50, and occupancy to 81.1 percent. STR projected that by the end of 2017, Brooklyn will have a total of 70 hotels, a 150.0 percent increase from the 28 properties the borough had in 2008.

Another source of New York City's economic prosperity comes from the construction of cultural institutions. A new study from the New York Building Congress found that cultural institutions accounted for $1.3 billion in new construction spending for the five years ended in 2014. Notable projects such as the $422.0 million Whitney Museum, the $65.0 million renovation of the Met Museum's fountains, the $81.3 million renovation of the Cooper Hewitt Smithsonian Design Museum, and the expansion of the Queens Museum created 10,000 jobs during the five-year period. While the cultural projects represent only a tiny portion of the $32.0 billion in annual construction spending (industries like health care and education outrank cultural construction spending), the sector is vital to the city's economy as it attracts tourists from around the world.

Last year, the Independent Budget Office (IBO) released its annual assessment of the city's economy. The IBO predicts that the city will show a gain of 413,000 jobs in the current expansion, which is the largest for any comparable period since the record-keeping started in 1950. Employment increases will continue for the next two years, and more importantly, the IBO forecasts that wages will finally rise for most workers, not just the wealthy. While in 2013 household income stagnated in places throughout the U.S., it rose more than 3.0 percent in New York City. These gains are expected to broaden out when the latest numbers come in. Further, the IBO estimates the city will generate $6.0 billion more in revenue than the forecast made by the de Blasio administration over the next four years.

New York City has created more jobs over the past five years than during any five-year period in the last half century. This spurt of employment growth did not come from Wall Street, however. The big investment banks and brokerage firms used to form the powerful engine that pulled New York's economy out of recessions. During the boom years of the 1990's, the high-paying securities industry accounted for more than 10.0 percent of all the jobs added in the city's private sector. This time around, it has contributed less than 1.0 percent. This proves that New York City can grow at a rapid pace without leaning on Wall Street. About 425,000 jobs were added since the end of 2009, bringing total employment to 4.1 million jobs. Although many of these jobs are in lower-paying businesses, such as hotels and restaurants, fast-growing and well-paying tech companies like Google, Facebook and BuzzFeed are adding jobs at a fast pace. These major companies have been joined by small startups throughout the city in creating a thriving tech ecosystem. According to a 2013 study presented at the Bloomberg Technology Summit, the city's tech boom has been responsible for roughly one-third of its private sector job creation since 2007. New York City's government is helping to nurture the growth with economic development and education initiatives. As a result, Cornell, NYU, Columbia, and Carnegie Mellon are all opening or expanding tech-oriented campuses in the city, in an effort to meet the need for highly educated workers.

Another 2015 report, issued by the Center for an Urban Future, found that nearly 88.0 percent of all the state's job growth was in New York City. Between 2004 and 2014, the city added almost 530,000 jobs, while the rest of the state gained about 70,000. Over the same time period, private sector jobs in the city jumped 17.3 percent, whereas they only grew 3.5 percent statewide. The city's gain was powered by the retail, health care, technology and creative services sectors. In 2014 alone, health care added 20,900 jobs, retail added 9,700 jobs, and the creative industry added 7,000 jobs.

Further considerations are as follows:

- A report from 2014, which was commissioned by the Association for a Better New York, found that New York's growing technology industry generates more than a half-million jobs, almost $125.0 billion in annual output, and $5.6 billion in tax revenues.
- Media giant Viacom is laying off 264 employees in New York City to save $250.0 million. The company is in the midst of a corporate restructuring that will combine its Comedy Central and Spike channels with MTV and VH1.
- MetLife is quadrupling its space at 200 Park Avenue, and will consolidate all of its New York City employees to its namesake tower in Midtown. The new lease covers about 550,000 square feet, which is approximately 430,000 square feet more than its current lease. The company expects to complete all the moves by the first half of 2017.
- Domestic merchandise and home furnishings retailer Bed Bath & Beyond signed a lease in January to take more than 100,000 square feet of space at Liberty View Industrial Plaza in Sunset Park, Brooklyn. The deal happened as Brooklyn continues to gain popularity as a place to live and work among tech tenants.
- A 2014 CPEX retail report identified 43 additional retail corridors in Brooklyn, bringing the total number to 88. Of those 88 retail districts, 10 corridors had retail rents over $100.0 per square foot compared with just two corridors five years ago.
- California-based real estate brokerage Marcus & Millichap aims to double its New York footprint by looking to take 40,000 square feet of office space. The company, whose current office is located at 270 Madison Avenue, said that the new office could accommodate up to 250 staffers.
- Facebook continues to expand its footprint at 770 Broadway in Midtown South. The social media giant will add 80,000 square feet of space, bringing its total to 270,000 square feet. The additional space will have nearly tripled its size at the property since it first occupied the building two years ago. Rents are believed to be more than $100.0 per square foot for the new space occupying the entire 15th floor.
- Test-prep company Kaplan is subleasing 80,000 square feet of space from Condé Nast at 750 Third Avenue in Midtown. Kaplan will dispose of its current space of roughly 140,000 square feet at 395 Hudson Street by subleasing it to WebMD.
- Media conglomerate Bloomberg LP is expanding its footprint onto Third Avenue, taking roughly 150,000 square feet at 919 Third Avenue. The company becomes one of the latest in a growing line of companies to lease big blocks of space on Third Avenue, which is considered midtown's street of bargains.
- Furniture and home-décor retailer Design Within Reach signed a lease for 40,000 square feet at Industry City industrial complex in Sunset Park. It will also include a repair facility, a design studio and showroom. It is expected to be fully operational in late spring and will bring 25 jobs to the site.
- Office-suite provider Regus signed a deal to take about 34,000 square feet at the Falchi Building in Long Island City, Queens. Regus and its rival, WeWork, have rapidly expanded across the city to meet an uptick in demand for office suites.

- York Studios is set to bring Film & Television back to the Bronx with the construction of 3 buildings totaling about 300,000 square feet. The company currently operates out of a 40,000 square foot facility in Queens. Construction is scheduled to begin this summer and be completed by summer 2016.
- Simone Development Companies is in a process of completing a $16.0 million deal that would allow construction of a 1.9 million square foot mixed-use office, academic and medical complex on a 33-acre site at 1500 Waters Place in the east Bronx. Simone plans to construct two one-story retail buildings, totaling 40,000 square feet; and four 10-story buildings of 250,000 square feet each. Plans will also include a hotel and 100,000 square feet of space for high education. Several thousand permanent jobs are expected to be created through the development.
- Los Angeles-based Estate Four plans to build a 1.2 million square foot project that will include a mixed-use of offices, shops, performance spaces and a promenade in the Red Hook industrial neighborhood of Brooklyn. The new development, called the Red Hook Innovation District, would be built over five years at a cost of $400.0 million.
- In March 2015, a partnership of developers between Jamestown, Belvedere Capital and Angelo Gordon unveiled a massive redevelopment plan for Brooklyn's Industry City. The plan calls for a $1.0 billion investment over the next 12 years and 13,300 jobs at Industry City, including the ones currently there. The developers estimate that another 5,800 jobs would be created throughout the city as a result of the project. The planned expansion, however, cannot go forward without Mayor de Blasio's administration's approval for the creation of a "special innovation zoning district."
- Jones New York, the women's clothing brand owned by Sycamore Partners, will close all of its 127 outlet stores throughout 2015. The company will also discontinue its wholesale business as it seeks strategic alternatives. The Jones New York brand, which is sold in mid-priced department stores like Macy's, has struggled in recent years as retailers ramped up their exclusive-label goods to draw shoppers.
- Cornell University broke ground on its Roosevelt Island tech campus in January 2014. The $2.0 billion project, which won the city's "Applied Sciences NYC" competition, will add some 2.0 million square feet of academic, residential, and commercial space over the next two decades. Slated to open in 2017, the new campus will house approximately 2,000 students and 280 faculty members, and create 8,000 permanent jobs by 2037. The project more recently received $50.0 million from Verizon to develop an executive education center.
- An October 2014 report from the New York Building Congress forecasts overall construction spending in 2014 to be $32.9 billion, an increase of 17.0 percent from the previous year. A majority of the non-infrastructure construction spending will be from new residential projects. Despite the optimistic forecast, the New York Building Congress reported in January 2015 that construction costs increased by 5.0 percent in 2014 after a nearly 5.0 percent increase in previous year.
- Mayor Bill de Blasio and his administration are in the early stage of formulating a rezoning plan for a 57-block-long corridor along Jerome Avenue that would bring more housing and new businesses to the South Bronx area. The first step is completion of the Cromwell-Jerome Neighborhood Study, which is expected to be ready by the end of the year.
- Square, a San Francisco based mobile payment devices and software maker, expanded its size by moving into its brand new 40,000 square foot SoHo office space in October 2014. The company plans to increase its New York based staff to 385 employees. As of October 2014, the company employed a total of 75 employees.
- Amazon received $5.0 million in tax credits from New York state at the end of 2014. The company expects to use the money to bring 500 jobs to New York City at a property in Herald Square shopping district.

- Samsung Electronics is looking to purchase as much as 1.0 million square feet of new or existing office space in Manhattan. According to the Wall Street Journal, offices of that size generally could hold between 5,000 and 7,000 employees. The purchase (if the deal is reached) would be one of largest corporate expansions in the city in years.
- General Motors is reorganizing its Cadillac brand into a separate business unit and relocating the new company's headquarters to New York City at the beginning of June 2015. Cadillac expects about 130 to 140 people to be working for Cadillac in New York by the end of the year; many will be new hires. It also expects that number to double to about 300 in the next three years.
- The New York Times began its layoff process in December 2014 as the newspaper company did not receive enough voluntary buyouts to cover newsroom budget cuts. The company expects to cut more than 100 newsroom jobs.
- The State University of New York reached an agreement with the Fortis Property Group to build out NYU Langone Medical Center at a former site of Long Island College Hospital in Cobble Hill, Brooklyn. Expected to be completed by 2018, the 125,000 square foot complex, will have 70 doctors and a total staff of 400. NYU Langone planned to invest $175.0 million to build out the facility.
- Rockefeller University is planning a two acre campus extension over the FDR Drive. The project will involve building a platform over the highway to support four new buildings, and is estimated to cost between $425.0 million and $450.0 million. It is expected to break ground in the second half of 2015, and construction is expected to be finished in four years.
- Online grocer FreshDirect broke ground in December 2014 on its 500,000 square foot corporate headquarters in Mott Haven, South Bronx. The company reached a deal with the city in 2012 to relocate to the Bronx (as opposed to New Jersey), keeping its 3,000 jobs in the city. In addition, the relocation is expected to create 1,000 new jobs for Bronx residents.
- New York City is investing $140.0 million to expand manufacturing and create 3,000 jobs at the Brooklyn Navy Yard. The project, which was announced by Mayor Bill de Blasio in November 2014, will build on earlier city plans for what is known as Building 77. The building is scheduled to open by mid to late 2016. In addition to Building 77, The New Lab, a high-tech manufacturing consortium, is expected to expand to 84,000 square feet, from its current 8,000 square foot space, when it moves into the new Green Manufacturing Center, a 250,000 square foot facility under construction at the Navy Yard.
- Numerous high-profile redevelopment projects in various stages of the development pipeline will contribute to New York City construction spending well into the future. Notable among these include Hudson Yards, Pacific Park (formerly known as Pacific Park), the World Trade Center site, Flushing Commons, Greenpoint Landing, Domino Sugar Factory, the Staten Island ferris wheel and outlet mall, Willets Point, City Point, Halletts Point, and Seward Park.
- Broadway Stages, a Brooklyn-based studio, has plans to build a $20.0 million film production complex on Staten Island. The plan will generate 800 jobs over the next two years and as many as 1,500 jobs over the next five years.
- IBM announced that it will be investing $1.0 billion in its new Watson supercomputer division, which will be headquartered in 51 Astor Place in Manhattan. The money will be partially invested in startup companies and the hiring of several hundred employees at the new headquarters location.

DEMOGRAPHIC TRENDS

DEMOGRAPHIC CHARACTERISTICS

New York City exceeds the national average in household income at both the top and bottom of the spectrum. As a result, the city's middle income brackets are relatively small. The high cost of living in New York City pushes out many of those who are not poor enough to qualify for subsidized rents or wealthy enough to afford market-rate housing. A 2012 study from the Center for Housing Policy found that for the decade ended in 2010, housing and transportation costs in New York City rose 55.0 percent. Over the same time period, income in the area only grew by 31.0 percent.

The city also has a gap in educational attainment. A higher percentage of New York City residents are without a high school diploma than the national population, and likewise for residents with at least a bachelor's degree.

Further considerations are as follows:

- The median person in New York City is 36 years old, one year younger than the national median.
- New York City's average household income ($78,499) is significantly higher than the country's ($71,318). When looking at median household income, however, the roles are reversed. Median income in New York is $50,493, while the country's median household income is $51,352. Medians are typically a better measure of central tendency, as means are more easily influenced by outliers. As discussed above, New York is full of outliers at the upper and lower ends of the income scale.
- A survey set released by the U.S. Census in September 2013 revealed that in 2011, 21.2 percent of New York City residents were under the poverty line, compared to only 15.9 percent for the nation as a whole. This marked the fourth straight year that the percentage increased. The stat seems to suggest that much of the region's recent job growth has been in industries with low wages.
- New York City bests the national average in residents with at least a bachelor's degree by 5.5 percentage points. The city boasts a large number of institutions of higher learning, along with industries that require such education. The educated labor pool makes New York City an attractive destination for many businesses.

The following table compares the demographic characteristics of New York City with those of the United States:

Demographic Characteristics
New York City vs. United States
2014 Estimates

Characteristic	New York City	United States
Median Age (years)	36.0	37.0
Average Annual Household Income	$78,499	$71,318
Median Annual Household Income	$50,493	$51,352
Households by Annual Income Level:		
<$25,000	28.3%	24.4%
$25,000 to $49,999	21.3%	24.4%
$50,000 to $74,999	15.7%	17.9%
$75,000 to $99,999	10.6%	11.9%
$100,000 plus	24.1%	21.3%
Education Breakdown:		
< High School	20.3%	14.3%
High School Graduate	25.0%	28.4%
College < Bachelor Degree	20.8%	29.0%
Bachelor Degree	20.0%	17.8%
Advanced Degree	13.9%	10.6%

Source: Claritas, Inc., Cushman & Wakefield Valuation & Advisory

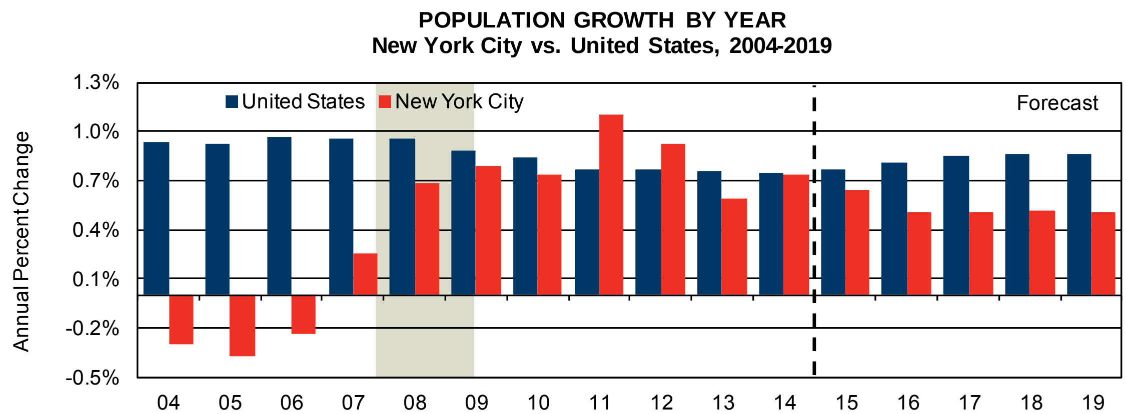
POPULATION

According to Moody's Analytics, the current population of New York City is estimated at over 8.4 million. Rapid population growth is and always will be a challenge for New York City, as the densely populated metro area has little room for growth. The recent trend of redeveloping former industrial and office buildings into residential buildings could help, but the city will likely never grow as quickly as the rest of the country. Of all the boroughs, Brooklyn is expected to grow the most quickly in the near future, as its current renaissance continues. According to Moody's Analytics, the borough is forecast to grow by an average annual rate of 0.7 percent through 2019.

Further considerations are as follows:

- From 2004 through 2014, New York City had average annual population growth of 0.5 percent. Over the same time frame, however, the nation grew at an average annual rate of 0.9 percent.
- Population growth for the next five years will continue to be relatively low in New York. The average annual rate is forecast at 0.5 percent, lower than the nation's forecast annual growth of 0.8 percent.
- People typically follow jobs, so the recent trend of private sector job growth is a likely driver behind New York's population growth since the recession. The city's annual growth rate peaked at roughly 1.1 percent in 2011.

The following chart compares historical and projected population growth between New York City and the United States as a whole:



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

The following table shows New York City's annualized population growth by county:

Annualized Population Growth by County New York City 2004-2019						
Population (000's)	2004	2014	Forecast 2015	Forecast 2019	Compound Annual Growth Rate 04-14	Compound Annual Growth Rate 15-19
United States	292,805.3	318,857.1	321,304.5	332,313.4	0.9%	0.8%
New York City	**8,043.4**	**8,469.4**	**8,523.9**	**8,698.1**	**0.5%**	**0.5%**
Bronx County	1,359.0	1,429.6	1,438.6	1,466.1	0.5%	0.5%
Kings County	2,459.1	2,615.9	2,637.5	2,710.9	0.6%	0.7%
Queens County	2,198.5	2,314.9	2,331.7	2,385.1	0.5%	0.6%
Richmond County	456.8	475.0	476.7	478.4	0.4%	0.1%
New York County	1,569.9	1,633.9	1,639.4	1,657.6	0.4%	0.3%

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

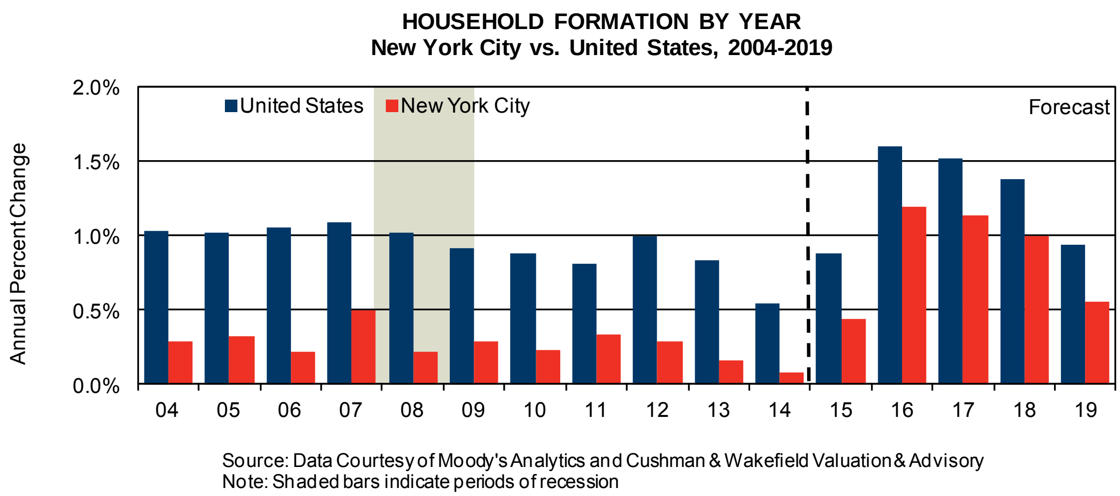
HOUSEHOLDS

Much like population growth, New York City continually lags the country in household formation. This is largely due to issues endemic to New York City. For example, the extremely high cost of living discourages household formation, especially as young residents group together in apartments to live more affordably. It is not uncommon for living rooms to be converted into extra bedrooms. Indeed, recent census data show that New York City leads the nation in nonfamily households, with almost two-thirds of households having members with no familial relationship.

Further considerations are as follows:

- From 2004 to 2014, the number of households in the city grew at an average annual rate of 0.3 percent, lower than the national rate of 0.9 percent per year.
- Over the next five years, the city's average growth rate is expected to be 1.0 percent per year, while the rest of the nation is forecast to have an average growth rate of 1.4 percent.

The chart below compares historical and projected household formation growth between New York City and the United States as a whole:



ECONOMIC TRENDS

GROSS METRO PRODUCT

As discussed earlier, one of the city's biggest new growth drivers since the recession has been the tech industry. Giants like Microsoft, eBay, Yahoo!, Google, Facebook, Twitter, and LinkedIn have been expanding, while smaller tech firms and startups are popping up in "Silicon Alley" and other areas of the city. Notable among these are Etsy, Shutterstock, Kickstarter, MongoDB, Gilt Groupe, and Tumblr. The industry has also been one of the biggest consumers of office space in the city in recent quarters. Expansion is expected to continue as Cornell University's proposed $2.0 billion high-tech graduate school on Roosevelt Island begins to come to fruition. It may take some time before new jobs and businesses arise from the initiative, but the industry will continue to own a growing share of the city's economic output.

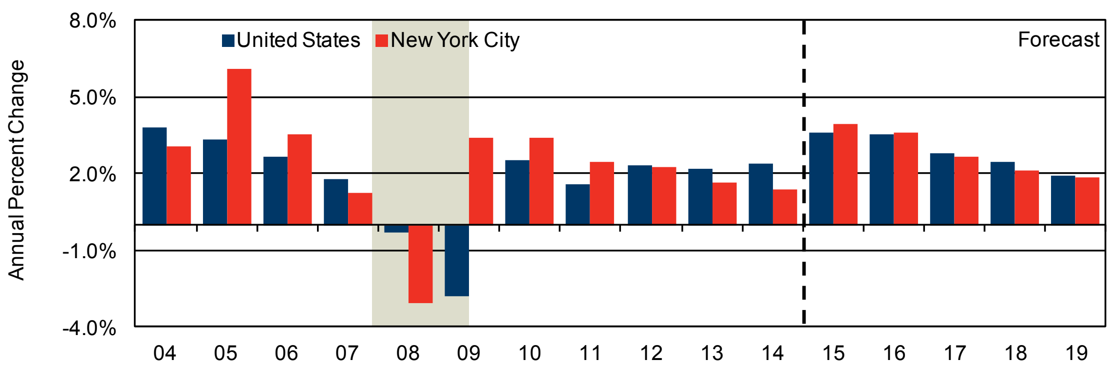
According to Moody's Analytics, the city's economy grew by 1.4 percent by in 2014, lower than the nation's growth of 2.4 percent. The city's growth is expected accelerate this year and will surpass the nation's growth. The city's economy is well diversified now, and growth will further intensify when financial companies return to expansion.

Further considerations are as follows:

- For the purpose of comparing the economies of New York City and the United States, we use Gross Metro Product (GMP) and Gross Domestic Product (GDP), respectively. The measures are analogous in what they attempt to capture, but GDP is on a much larger scale than GMP.
- From 2004 through 2014, New York City averaged 2.2 percent annual GMP growth, moderately better than the nation's annual GDP growth of 1.6 percent over the same time period.
- The city's GMP growth is expected to very slightly lag the nation's GDP growth over the next five years, growing by an annual average rate of 2.6 percent. The nation's GDP is forecast to have 2.7 percent annual growth.

The following chart compares historical and projected GMP growth by year for New York City and GDP growth for the United States:

REAL GROSS PRODUCT GROWTH BY YEAR
New York City vs. United States, 2004-2019



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

EMPLOYMENT DISTRIBUTION

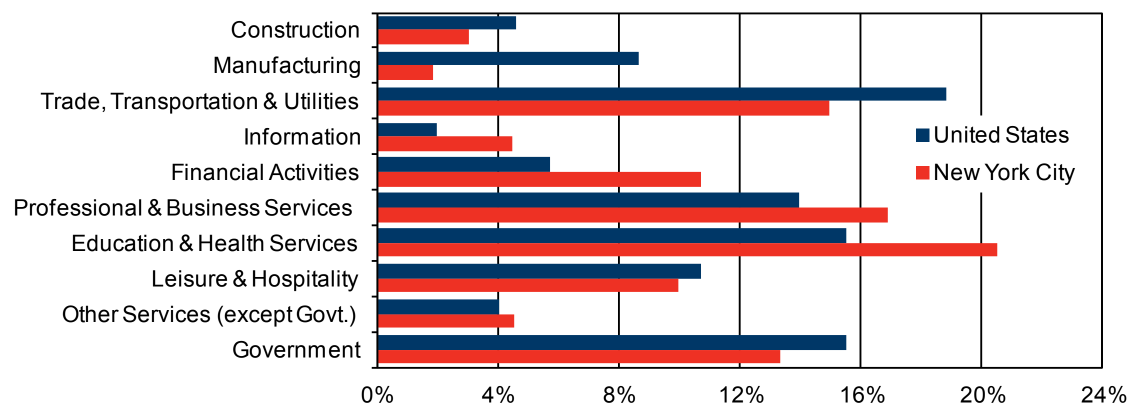
New York City is heavily weighted in office-using employment sectors, which comprise 31.6 percent of jobs compared to 24.4 percent for the nation. This helps to explain the high wages and job growth found in the metro area. Furthermore, the city's abundance of service jobs has shielded it from the gradual decay in manufacturing employment across the nation.

Further considerations are as follows:

- More New York City workers are employed in education/health services than in any other sector, comprising 20.5 percent of the workforce. The national representation for this sector is currently at 15.5 percent.
- The sector with the lowest employment representation in the city is manufacturing, which accounts for only 1.8 percent of the workforce. By contrast, the sector accounts for 8.7 percent of national employment. This is a reflection of the service-heavy orientation of New York City, the high cost of land, and the lack of space for large manufacturing facilities.
- The percentage of New York City jobs in the financial activities sector is nearly double that of the national proportion, with 10.7 percent of total employment. This is not surprising, as New York City is the financial capital of the United States and home to Wall Street.
- The area also has more than two times the information sector representation than the rest of the country. Recent growth in this sector is a result of the tech boom.

The following chart compares non-farm employment sectors for New York City and the United States as a whole:

EMPLOYMENT BY SECTOR
New York City vs. United States
2015 Estimates



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory

Major Employers

New York City's major employers are a good reflection of the city's employment distribution. Just as many New York City jobs are in education/health services and financial activities, many of the largest employers are found in those sectors. Of the ten largest private employers in the city, five work in healthcare, three are banks, one is in communications, and one is a major retailer.

Further considerations are as follows:

- JP Morgan Chase & Co., Citibank NA, and Bank of America are the three largest banks in the city, employing more than 81,000 people combined. Their appearance on this list is not surprising, given New York's status in the financial world.

- As previously stated, the education/health services sector is the largest in the city, and the rest of the list reflects this. The five largest hospital systems (North Shore-Long Island Jewish Health System, Mount Sinai Health System, New York-Presbyterian, Continuum Health Partners, and Montefiore Medical Center) employ nearly 140,000 New Yorkers.

The following table lists New York City's largest private employers:

Largest Private Employers New York City, NY		
Company	No. of Employees	Business Type
North-Shore Long Island Jewish Health System	48,650	Healthcare
JPMorgan Chase & Co.	37,363	Financial Services
Mount Sinai Medical Center	32,056	Healthcare
Macy's Inc.	31,200	Retailer
Citibank NA	24,991	Financial Services
New York-Presbyterian Healthcare System	21,802	Healthcare
Bank of America	19,500	Financial Services
Continuum Health Partners Inc.	18,974	Healthcare
Verizon Communications	18,650	Communications
Montefiore Medical Center	18,030	Healthcare

Source: Crain's New York Business & Cushman & Wakefield Valuation & Advisory

Employment Growth

Employment growth in New York City remains steady, and has now outpaced the nation's job growth over much of the past decade. New York City has long since recovered all of the jobs lost during the great recession and is now in a period of sustained expansion.

According to the New York State Department of Labor, total employment in the city grew by 2.9 percent during the 12 month period ending in January 2015, adding 115,600 jobs. Private sector job growth in New York City was even more pronounced, increasing by 3.3 percent from the same time last year, which outpaced both the state's growth rate (2.0 percent) and the nation's growth rate (2.8 percent).

Job growth continues to be broad-based, with almost all major private sectors posting year-over-year gains. The city's employment growth over the past year has been led by the following sectors: education/health services (which grew by 40,800 jobs, representing the fastest growth rate at 4.9 percent growth rate), professional/business services (which added 24,800 jobs, a 3.8 percent growth rate), leisure/hospitality (which added 14,400 additional jobs, representing growth rate of 3.8 percent). trade/transportation/utilities (adding 13,700 positions, a 2.2 percent increase), financial activities (which added 8,300 jobs, a 1.9 percent growth rate), and information (which added 2,900 jobs, a 1.6 percent growth rate).

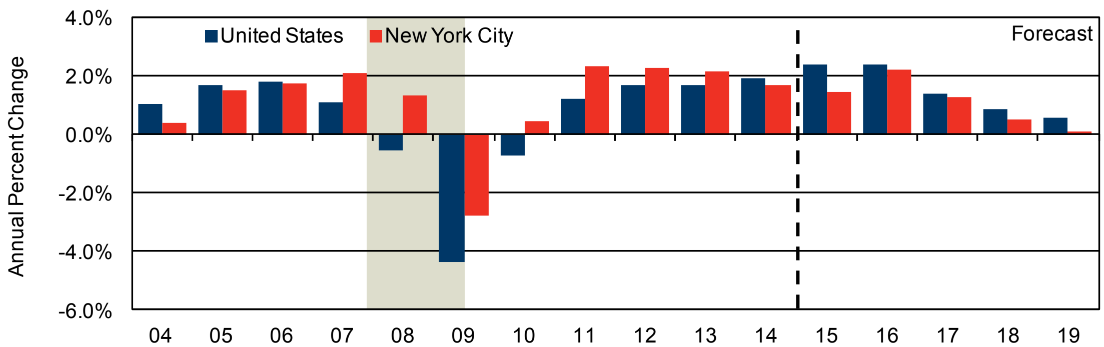
Every sector except manufacturing (which contracted by 1,600 jobs) added jobs for the 12-month period ending January 2015. Government employment, which has seen constant contraction in recent months, rose by 3,300 jobs (a 0.6 percent increase) over the past year. The city's important securities industry has begun to pick up the pace and will continue to steady after a double-dip contraction, but growth will remain modest. While the industry payrolls have rebounded to their highest level in more than two years, some concerns still remain. For instance, Citigroup's fourth quarter profits were nearly offset by its $3.5 billion legal expenses, while legal costs and disappointing trading revenue hurt JPMorgan Chase and Bank of America. This wave of bad news will likely have a consequential impact on future hiring and, combined with ongoing efforts to adapt to tight regulation, keep financial services in check.

Additional considerations for employment growth are as follows:

- Between 2004 and 2014, New York City's total non-farm employment grew by an annual average of 1.3 percent. This was much better than the nation's 0.5 percent annual average job growth over the same time period.
- Over the next five years, the city's total non-farm employment is forecast to grow by an annual average of 1.1 percent, slightly below the nation's 1.3 percent annual growth.

The following chart illustrates total non-farm employment growth per year for New York City and the United States:

TOTAL EMPLOYMENT GROWTH BY YEAR
New York City vs. United States, 2004-2019



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars indicate periods of recession

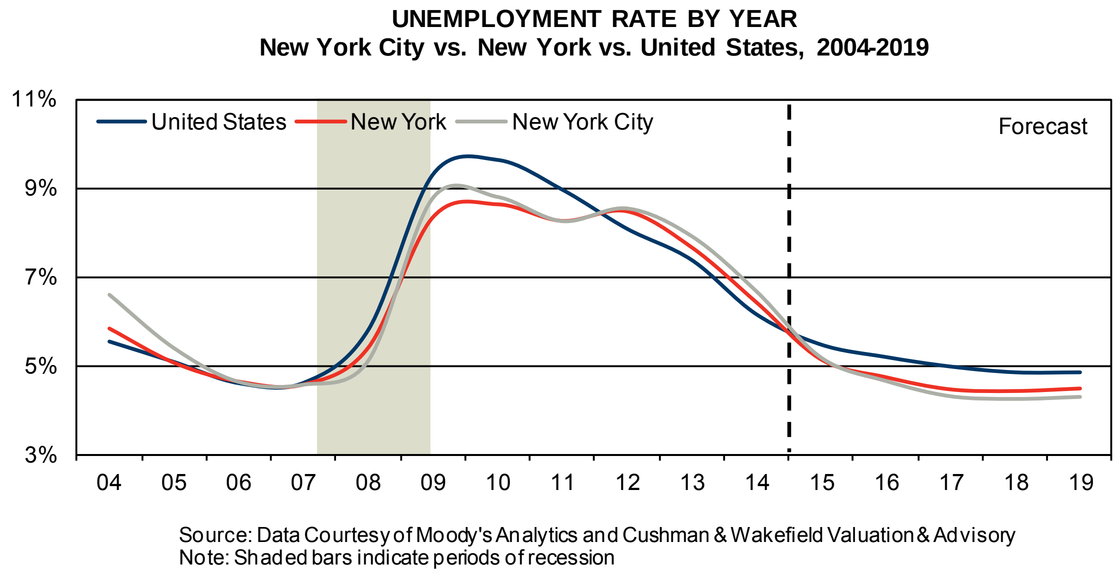
Unemployment

According to the New York State Department of Labor, New York City's seasonally adjusted unemployment rate in January 2015 was 6.5 percent, reaching its lowest level since October 2008. Year over year, the current unemployment rate represents a 1.5 percentage point improvement from January 2014. The rate remains above the state (5.8 percent) and national (5.7 percent) rates, however. This paradox of a high unemployment rate combined with steady job growth is partly a result of discouraged workers returning to the city's labor force as job prospects improve.

Further considerations are as follows:

- New York City's unemployment rate averaged 6.8 percent between 2004 and 2014, falling in line with the nation's average rate, but slightly higher than the state's average rate of 6.7 percent. During the early 2000s the city had a much higher unemployment rate than the nation, a trend which returned in 2012.
- Over the next five years, Moody's Analytics forecasts that New York City's unemployment rate will average 4.5 percent, lower than the nation's 5.1 percent average rate. The city's unemployment rate will dip below 5.0 percent in 2016.

The following graph compares historical and projected unemployment rates for New York City, the state of New York, and the United States as a whole:



CONCLUSION

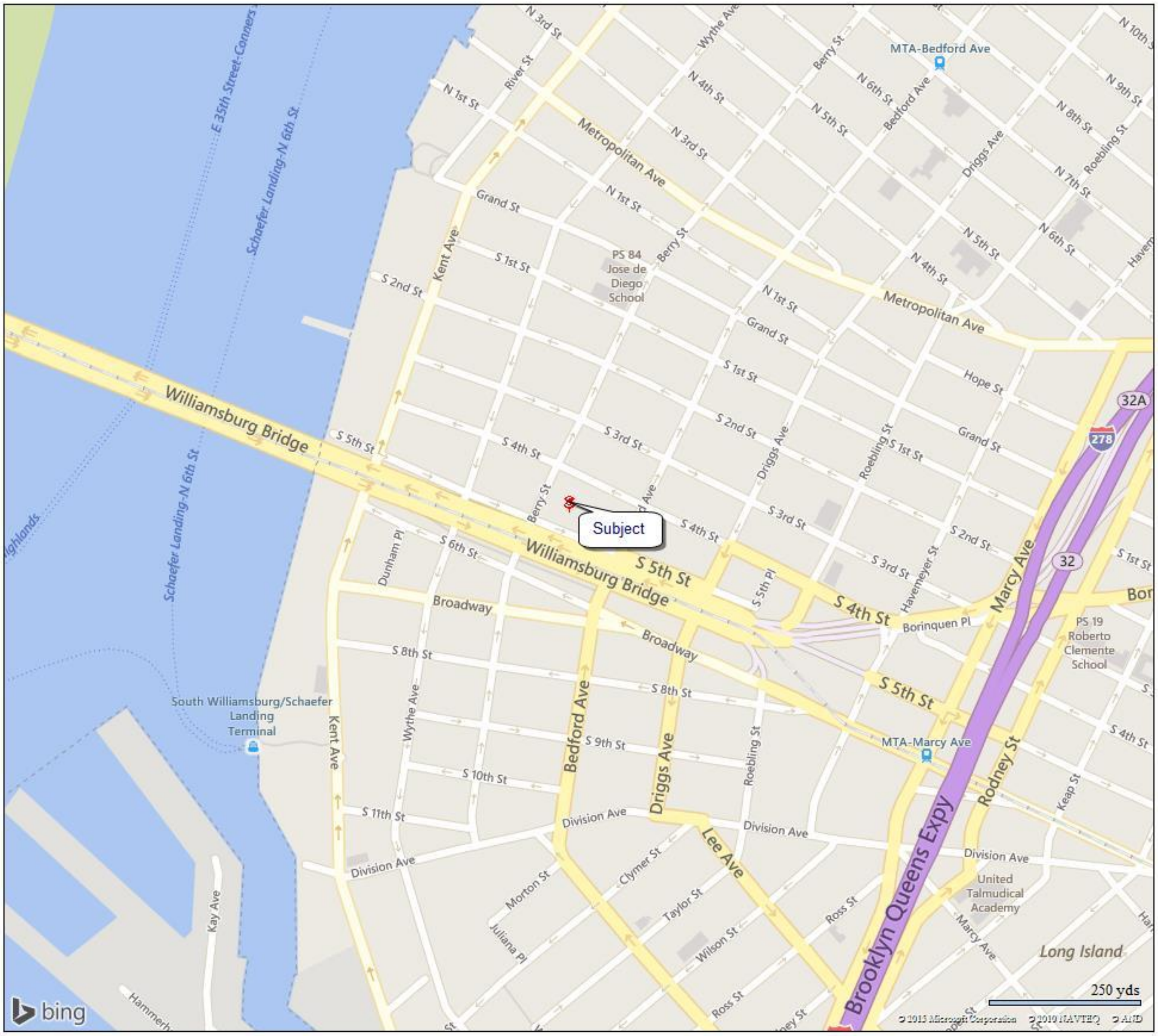
New York City has fared well in the past few years and expansion is firmly in place. The city has experienced moderate economic growth and employment gains that have outpaced the nation's. Economic expansion is expected to accelerate in 2015 as the tech industry drives employment and financial services begins to recover.

Additional items to consider for New York City:

- New York City has had steady private sector job growth since 2011, record tourism numbers, and features a well-diversified economy that is no longer dependent on Wall Street. As the tech and tourism industries grow further, New York City will continue to see economic growth in line with the rest of the country.
- New York City's unemployment rate has been trending downward and will experience steady improvement over the next several years.
- Affordability will continue to be a problem in the near term for New York City's middle class, sustaining the trend of "a city of extremes". The shifting employment composition could exacerbate this problem.

Local Area Analysis

LOCAL AREA MAP



LOCATION

The subject site is located mid-block with frontage on Berry Street between South 4th and South 5th Streets and on the north side of South 5th Street between Berry Street and Bedford Avenue. This area is referred to as Williamsburg section of Brooklyn.

Williamsburg is located in the northwestern section of the borough and extends from the Williamsburg Bridge to Flushing and Bushwick Avenues. Williamsburg is accessed via several major roads in all directions, most notably Bedford Avenue and the Brooklyn Queens Expressway.

Like many neighborhoods throughout New York City, Williamsburg is a self-contained community. The avenues and streets are generally one-way providing traffic flow in an east/ west or north/south direction. Improvements are generally low to mid-rise commercial structures with some ground floor retail. The streets are improved with a variety of residential housing types, including multi-tenant rentals, attached row houses and affordable housing developments such as the Williamsburg Houses consisting of 1,622 households. Small industrial buildings are found throughout but more concentrated in the area near the western waterfront. The neighborhood was the focus of a great deal of development in the years prior to the financial crisis with a large number of condominium buildings constructed.

The Williamsburg area has numerous industrial uses located along its waterfront borders of the East River. There are old manufacturing loft structures located throughout the area. Major office and retail uses are located to the south in Downtown Brooklyn. The Williamsburg neighborhood overall has exhibited a surge in residential development over the last decade. The neighborhood has benefited from residential conversion from numerous industrial lofts near the Brooklyn Waterfront. Population influxes into the neighborhood are the highest of any neighborhood in Brooklyn. The majority of the developments are luxury rentals and condominiums.

The subject property has average public transportation. It is connected to Manhattan via several subway lines and the Williamsburg Bridge, which is located just south of the subject. Subway service includes the J, M and Z subway lines accessible from the Marcy Avenue station 8 blocks east of the subject. The area is considered to have average public bus service with the nearest line, the B32 along Wythe Avenue and the B62, running along Bedford Avenue, between Queens Plaza in Long Island City and Downtown Brooklyn. Additional transportation includes the East River Ferry that provides service to Manhattan, Queens, and other parts of Brooklyn. Furthermore, the Bloomberg administration and the City of New York have created several hundred miles of bike lanes throughout the City. Much of the Williamsburg neighborhood has incorporated bike lanes and it remains an integral part of the culture and transportation.

Williamsburg is served by an effective arterial network. Union Avenue, Graham Avenue, Bushwick Avenue, Bedford Avenue, Kent Avenue, Brooklyn Queens Expressway are the major north/south traffic arteries in the area. Metropolitan Avenue, Grand Street, and Broadway are the major east/west traffic arteries in the area. The Williamsburg Bridge splits into Broadway and the Brooklyn-Queens Parkway and is the main highway in this part of Brooklyn leading directly into Downtown Brooklyn and accesses the Long Island Expressway and Grand Central Parkway to the north and connects with the Midtown tunnel and the Triboro Bridge. The Brooklyn-Queens Expressway provides access to the Verrazano Bridge, the Gowanus Expressway and the Brooklyn Battery Terminal.

Depending on the mode of transportation, travel time is approximately 15 to 25 minutes to Midtown Manhattan.

ZONING CHANGES

On May 11, 2005, the City Council approved the Department of City Planning's rezoning proposal, as modified by the Council and the City Planning Commission, for nearly 200 blocks in the Greenpoint and Williamsburg neighborhoods of Brooklyn. Council modifications to the zoning map included retention of the existing M1-1 zoning on a portion of a block bounded by Greenpoint Avenue, West Street, Kent Street, and a line 100 feet west of Franklin Street. Council modifications to the zoning text included a mechanism for transferring ownership of waterfront public access areas to the city and changes to the Inclusionary Housing program for Greenpoint-Williamsburg.

The zoning text change adopted by the Commission and the City Council includes a groundbreaking Inclusionary Housing program, reflecting recommendations made during the public review process. The program promotes affordable units in both rental and condominium developments, encourages preservation of existing affordable units, and targets affordable housing to a range of income levels. On the waterfront, sites zoned with a blend of R6 and R8 districts would have a base FAR of 3.7 (reduced from 4.3 FAR in the original application), with a bonus up to a maximum 4.7 FAR for the provision of at least 20 percent affordable housing. Modifications also reduce by 20 feet the maximum permitted heights in R8 districts for buildings not using the bonus.

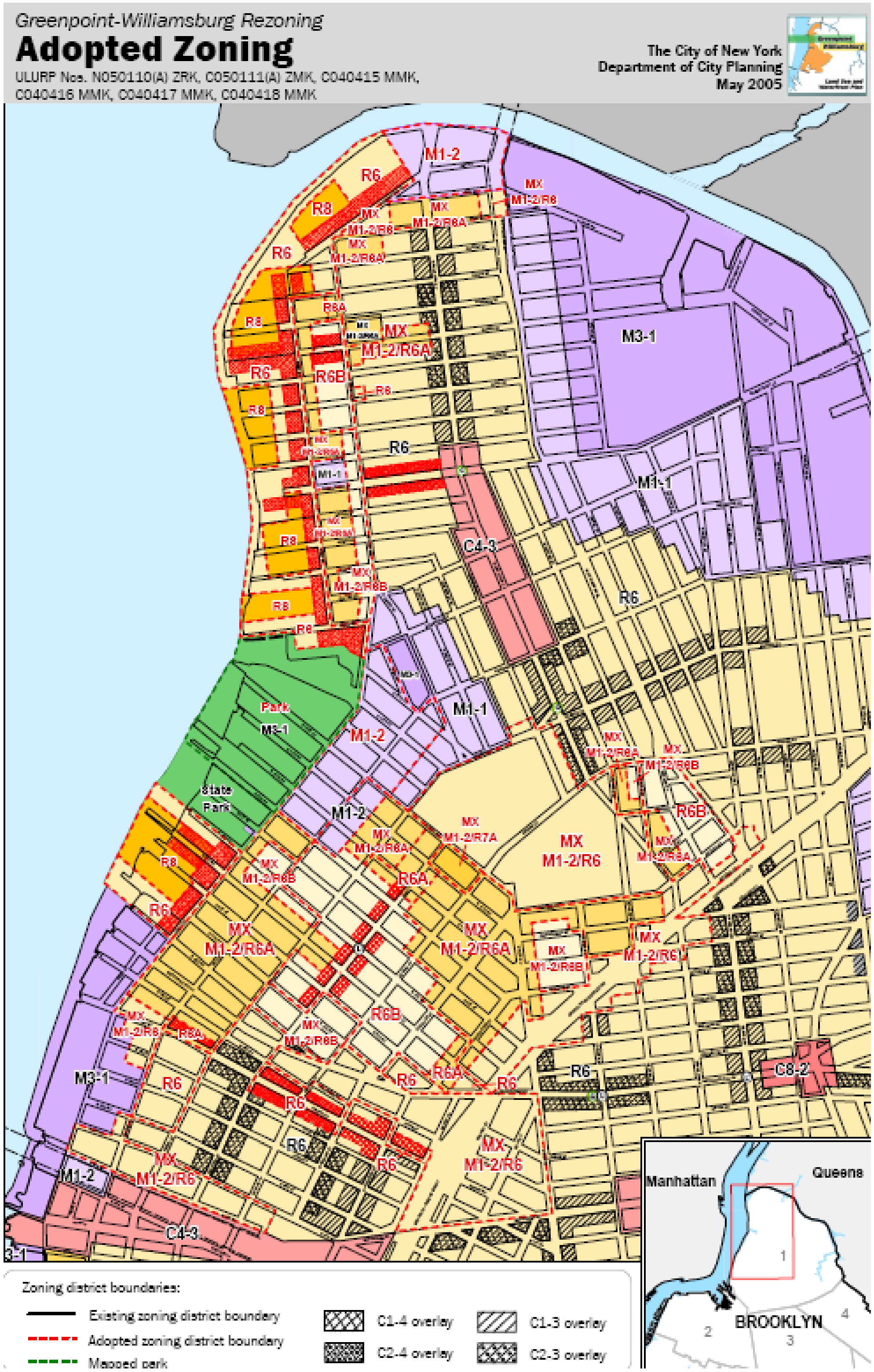
A bonus for providing affordable housing would also be available in upland portions of the rezoning area, where bonus floor area would be accommodated within contextual height limits. Modifications reduce the maximum FAR permitted without the Inclusionary Housing bonus in R6 districts on wide streets and R6A districts from 3.0 to 2.7, and in R7A districts from 4.0 to 3.45.

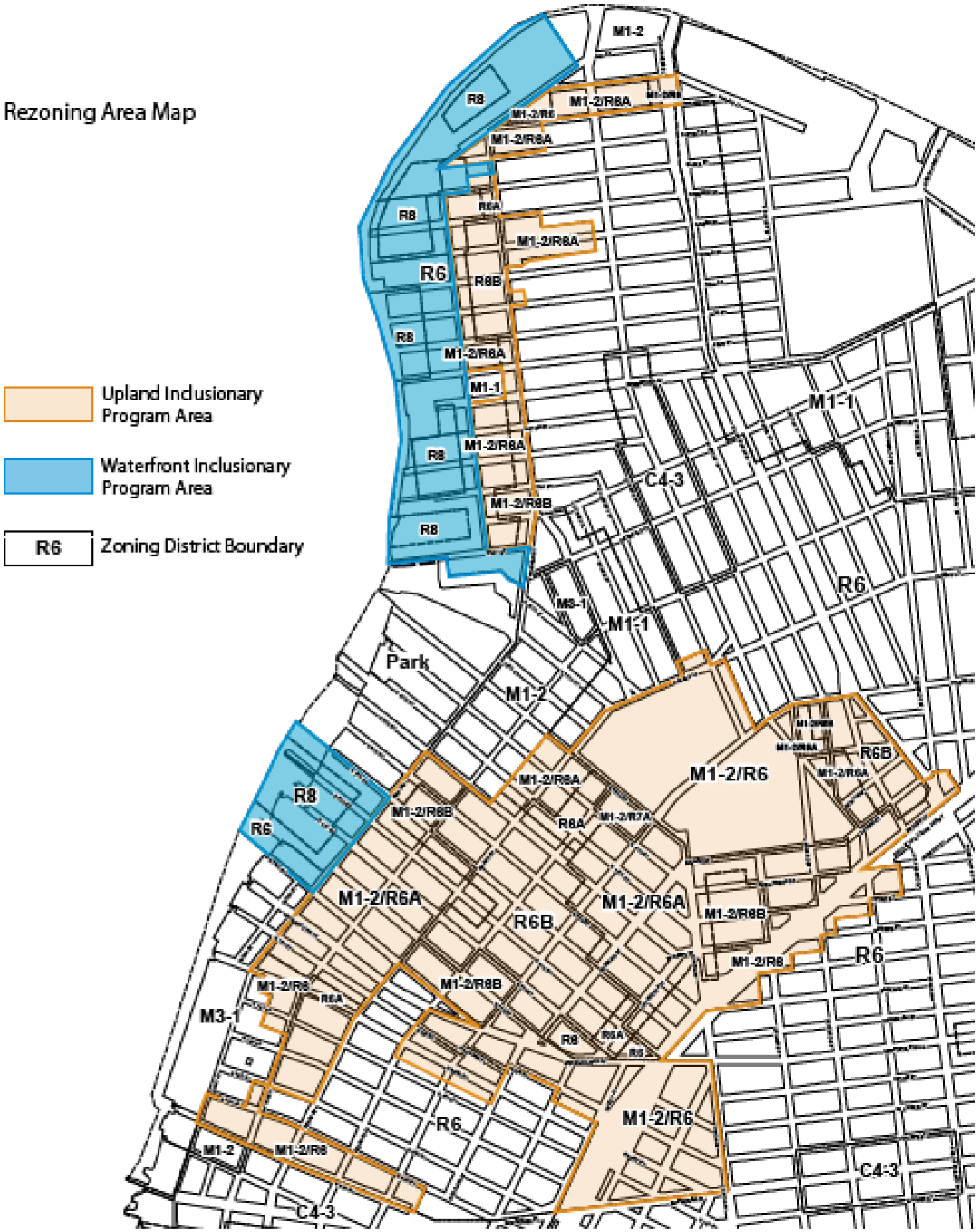
Both on the waterfront and upland developments could satisfy the affordable housing requirement by developing affordable units on-site or off-site, or by acquiring and preserving existing housing at affordable rents. Coupled with use of various HPD, HDC, and HFA finance programs, and the city's commitment to developing affordable housing on publicly controlled sites, this Inclusionary Housing Program constitutes a powerful incentive for the development and preservation of affordable housing in Greenpoint-Williamsburg.

The comprehensive rezoning of Greenpoint-Williamsburg, approved in May 2005, set the stage for the renewal of a vacant and underutilized stretch of the Brooklyn waterfront, and for the continuing revitalization of these vibrant neighborhoods. It reclaims two miles of long-neglected East River waterfront to create over 50 acres of open space, including a continuous public esplanade and a new 28- acre park surrounding the Bushwick Inlet. The plan creates new opportunities for thousands of units of much-needed housing, including affordable housing, within a detailed urban design plan that addresses the scale of the existing neighborhoods. The rezoning also facilitates local commercial development, and promotes light industrial activity in appropriate areas. The zoning changes include a new Inclusionary Housing program, which represents a groundbreaking approach to the creation of affordable housing in Greenpoint-Williamsburg. Under this program, developments providing affordable housing are eligible to develop additional floor area, within height and bulk regulations tailored specifically to each district. Affordable units can be provided either on the same site as the building receiving the bonus, or off-site either through new construction or preservation of existing affordable units. City, State, and Federal programs can be used to build the affordable housing that generates the zoning bonus.

The Greenpoint-Williamsburg rezoning and the new Inclusionary Housing program respond to the issues targeted by former Mayor Bloomberg’s New Housing Marketplace Plan, created to meet the changing housing needs of the City’s communities by committing to the new construction or rehabilitation of 68,000 homes and apartments in five years. Today New York City faces an increasing demand for housing, a growing population, a scarcity of developable sites, and an aging housing stock. This rezoning will help to meet these challenges by making new land available for development, and by creating and preserving permanently affordable housing through a powerful combination of zoning incentives, housing programs, and the commitment of public and partner land. In Greenpoint-Williamsburg, about one-third of the projected units are expected to be affordable to low and moderate income households.

The maps on the following two pages outline the adopted zoning changes for Greenpoint-Williamsburg in general and the adopted changes specific to the Upland Inclusionary Program Area and the Waterfront Inclusionary Program Area.





CONCLUSION

The Williamsburg neighborhood has developed into an established residential neighborhood. The development and growth of the Williamsburg neighborhood over the past decade enhanced the desirability of the subject area. Newer residential developments have generally comprised luxury loft type space with full amenities. As the residential neighborhood has continued to improve, the local retail and commercial markets have also continued to improve. Our outlook for the neighborhood is positive.

Residential Market Analysis

OVERVIEW

The New York City residential market is the largest housing market in the United States. It is composed of a complex and diverse group of properties, from single family townhouses, low rise walk-up buildings, and luxury high rise towers, to converted office buildings for multi-tenant use. The majority of the market consists of rental units, the majority of which are governed by rent stabilization and rent control regulations at state and city levels. Tax abatement and incentive plans continue to play a large role in shaping New York City's residential housing development, as do zoning laws and designations of historic preservation districts. The following discussion provides some historical context to the current trends underpinning the fundamentals of the residential market in New York City.

Between early 2003 and 3Q 2008 the residential rental market was stable with signs that rental supply and demand were near equilibrium. For the similar period, the surge in demand for condominiums outpaced supply, despite a sharp increase in condominium development. The prior residential rental market cycle appears to have peaked in the 3Q 2008. Beginning in October 2008, this segment of the market deteriorated significantly. Similarly, by mid-year 2008, the for-sale market witnessed slowing sales velocity and incrementally higher inventory levels. Stability in the rental market returned in 2010 and was followed by stability in the for-sale market. Since the downturn, both the rental and for-sale markets have rebounded and witnessed tremendous growth in terms of effective rents and pricing. Growth has been spurred by positive supply conditions resulting from the lack of construction financing available during the downturn.

The major factors currently impacting the residential market include:

- During the period between 2009 and 2011 there was a lack of construction financing due to the economic downturn and the ensuing financial crisis. This led to an enormous decrease in inventory delivered when the economy in the City was recovering. Given the lack of construction financing, developers did not proceed with new projects and the number of permits for new housing units decreased sharply. As such, only legacy projects, those that had construction financing in place prior to the downturn, were completed in 2010 and 2011. The rental market absorbed these units rapidly, demonstrating elements of demand in the New York City market that belied overall economic circumstances. As the economy improved, job losses were recaptured, and very little new inventory was delivered, which led to the rental rate spikes of 2011 and 2012. Year-over-year rental rate growth slowed in 2013, as the dramatic increases in rental rates pushed tenants to the for-sale market. As of May 2015, median rents in Manhattan have increased 2.4 percent year-over-year, according to Prudential Douglas Elliman, while the average price increased by 4.6 percent. In Brooklyn, the median rental rate increased by 4.8 percent year-over-year.

- Currently two trends are developing. The first is that the cost of land has risen dramatically, limiting development opportunities for new rental housing. This trend is developing despite records rent levels in the city and historically low capitalization rates. The second trend is the return of investors seeking to convert rental apartment buildings to condominium form of ownership. This trend is explored in more detail below. Both of these factors have led to the growth in rental rates and high absorption rates for new inventory in Brooklyn and Queens.

- The lack of financing for investment grade assets of all classes during the downturn caused the investment sales market to grind to a halt. Since April 2010, financing for income producing assets in core markets returned to the market. Financing returned for quality assets in 2011 with investors able to finance between 60 and 75 percent loan-to-value. Throughout the period between 2011 and 2015, the pool of lenders continued to grow.

- Underwriting terms since the recession ended created higher standards for individuals to access relatively low cost mortgage funds in the acquisition of condominium and cooperative units. These standards have limited some prospective buyers of condominium and cooperative units from purchasing units. For multi-family product, tighter underwriting policies have given rise to better quality loans.
- The economic recession resulted in the loss of 209,700 jobs between December 2007 and January 2010, based upon the Bureau of Labor Statistics, non-seasonally adjusted data. January 2011 employment of 3,702,200 indicated job gains year-over-year of 73,100. January 2012 employment of 3,787,100 indicated job gains year-over-year of 85,500. January 2013 employment of 3,870,100 indicated job gains year-over-year of 82,400. January 2014 employment was 3,984,100, an increase of 114,000 jobs. Using non-seasonally adjusted data, New York City has gained 384,000 jobs between the prior peak employment in December 2007 and May 2016. Employment was at 4,222,800 as of June 2015, indicating 117,800 new jobs in the trailing 12 months.
- Job losses and gains in past cycles, measured based on total non-farm employees, Bureau of Labor and Statistics, non-seasonally adjusted is as follows:

Period	Jobs Lost or Gained
December 1988 – January 1993	443,800 jobs lost
January 1993 – December 2000	592,900 jobs gained
December 2000 – January 2003	310,200 jobs lost
January 2003 – December 2007	334,700 jobs gained
December 2007 – January 2010	209,700 jobs lost
January 2010 – June 2015	593,700 jobs gained

- Municipal and State Deficits – Detract from services and often capital expenditure on infrastructure. A budget surplus is expected for 2015, however.
- Real Estate Tax Increases –One of the most effective means of raising revenue for New York City without New York State approval. The City's Finance Department reports the average Assessed Value for Class 2 assets increased 3.7 percent for 2010/2011, 3.60 percent for 2011/2012, 2.84 percent for 2012/2013, and 5.93 percent for 2013/2014. For the fiscal year 2014/2015, assessed values increased 4.8 percent. The tax rate for the 2014/2015 fiscal year was established in the third quarter of 2014 at a rate of $12.855 per $100 of assessed value. This represents a 2.21 percent decrease from the 2013/2014 fiscal year tax rate. Despite the decrease in the tax rate for Class 2 property, the increase in assessed value over the past two years has led to an increase in real estate taxes overall.

Fundamental aspects of the market which are considered positive indicate:

- The New York City housing market is a supply constrained market with high barriers to entry. Land and construction costs are generally the highest in the nation. The lack of construction financing, dating to the second half of 2007 and extending into mid-year 2010, resulted in a significant reduction in inventory brought to the market beginning in late 2010. Long-term supply fundamentals are reasonable as for-sale inventory has been absorbed in rental or for-sale scenarios.
- Most 2^{nd} and 3^{rd} tier developers were forced out of the market during the downturn as access to construction financing is more difficult and equity return requirements increase. As the economy has improved these developers have returned to the market.
- New York City remains the nation's safest large city, and the preferred urban environment encompassing economic, cultural and entertainment options.
- New York City has continued to be a City that investors have targeted for real estate investments. Pricing and rental rates have continued to strengthen since the beginning of 2010 and vacancy rates have declined. The City has positive job growth and developers are bringing projects to the market.
- The condominium market has strengthened significantly since the downturn. Construction financing for new development is readily available. However land pricing has increased significantly as a result. Many condominium developers have moved to conversions as a means of quickly bringing product to the market. The amount of conversions will have a positive impact on the rental market. The supply of market rate housing is decreasing through conversions to condominium form of ownership. Based on information compiled by Cushman & Wakefield, over 4,700 market rate units are being converted. The chart on the following page details those projects with which we are familiar.

Partial List of Ongoing & Proposed Conversions to Condominiums					
NO.	Property Name Address	Year Built	Status	Market Rate Units	Total # of Units
1	Westminster 161 East 66th Street	1957	Completed	107	151
2	Wellington 200 East 62nd Street	1967	Ongoing	86	115
3	12 East 88th Street	1931	Ongoing	40	62
4	141 East 88th Street	1927	Ongoing	68	95
5	915 West End Ave.	1932	N/A	29	89
6	840 West End Ave.	1910	N/A	N/A	38
7	498 West End Ave.	1912	Ongoing	N/A	45
8	393 West End Ave.	1927	Ongoing	55	113
9	165 West 91 Street	1926	Ongoing	38	113
10	22 River Terrace	2001	Ongoing	324	324
11	41 River Terrace	1998	Planned	324	324
12	101 West 78th St	1900	N/A	26	44
13	342 West 72nd Street	1904	N/A	40	141
14	Astor 235 West 75th St	1901	Ongoing	170	198
15	Metro 301 West 53rd street	1979	Ongoing	262	262
16	88 Lexington Ave.	1927	Ongoing	153	177
17	90 Lexington Ave.	1957	Ongoing	97	105
18	737 Park Ave.	1940	Ongoing	72	103
19	150 East 72nd Street	1914	Completed	25	33
20	5 West 91st Street	1972	Ongoing	23	48
21	225 Rector Place	1985	Ongoing	191	232
22	70 Battery Place	1999	N/A	166	209
23	MiMA 450 West 42nd Street	2008	Proposed	149	149
24	Corinthian 330 East 38th Street	1987	Planned	144	144
25	101 West 87th Street	1986	Completed	10	72
26	Carnegie Park 200 East 94th Street	1986	Ongoing	370	461
27	Confidential	1984	Proposed	325	325
28	530 Park Avenue	1941	Ongoing	N/A	111
29	Post Toscana 389 East 89th Street	2003	Proposed	199	199
30	Post Luminaria 385 1st Avenue	2002	Proposed	138	138
31	Confidential	1921	Proposed	114	114
32	Confidential	1964	Proposed	390	390
33	The Montrose 308 East 38th Street	2001	Proposed	97	97
34	360 Central Park West	1929	Proposed	???	146
35	300 East 64th Street	1996	Completed	103	103
36	78 Irving Place	1920	Ongoing	???	14
37	15 William Street	2008	Ongoing	184	184
38	277 West 10th Street	1896	Proposed	145	145
39	The Orleans 100 West 80th Street	1898	Completed	25	25
40	189 Avenue C	2010	Proposed	35	35
Total				**4,724**	**5,873**

Historically, following the lull between 2001 and 2002, the residential market witnessed strong velocity in absorption of new units, despite a large influx of supply as the result of projects begun between 1999 and 2001. Beginning in mid-year 2007, velocity slowed for new condominium developments with the turbulence in the financial markets in September 2008 leading to a virtual cessation of activity in area developments as buyers were not able to obtain financing.

The residential market has never had so many market rate oriented units. The market underwent a major resurgence, with significant growth in all areas between 1995 and 2001 and 2003 through mid-year 2008. The robust economy during this period, historically low supply of inventory, overall age of housing stock, and elements of luxury decontrol fueled demand for housing within New York City, even outside the more traditional areas of investment. Large condominium and cooperative apartment prices have consistently shown impressive price increases over prior years. Although the highest condominium price increases have been exhibited by buildings constructed within the past two decades, the rise in cooperative sales prices has mainly focused on the large and pre-war categories. These factors have spurred new construction toward high-rise condominium buildings, as well as toward more luxurious developments that will compete with the older and larger pre-war apartments in traditional residential areas of Manhattan. Significant increases in demand pushed up rents in areas that are considered vanguard residential neighborhoods.

The health of the residential market, and specifically the luxury rental market, is linked to the health of the economy, perhaps greater than ever. The desirability of New York City as a place to live and the economic opportunity the City provides remain unequaled in major urban areas of the United States.

Rental Market

The City's housing market remains dominated by rental inventory, most of which remains rent stabilized. As employment and income risk are weighed within households, tenants have numerous choices in rental housing.

As previously noted, the residential market is currently in a cycle where new rental inventory entering the market is significantly below historical levels. At the same time, rental rates are at historically high levels and capitalization rates are at historic lows.

Market evidence indicates that Manhattan rental pricing decreased, as measured by effective rent levels, by 15 to 25 percent between September 2008 and year-end 2009. The rate of change was rapid, correlating to the economic impact of AIG, Fannie Mae and Freddie Mac and the collapse of Lehman Brothers. Landlords were motivated to keep legal recorded rents as high as possible, which includes units in new 80/20 buildings whose units are designated as rent stabilized for the duration of any tax abatement. As such, landlords were willing to offer concessions, such as the payment of brokerage commissions, offering free use of health club and other amenities, and 1 to 3 months free rent. This has been typical in prior downturns in the City and concessions typically precede rental rate declines. The New York City rental market is historically landlord driven, but during the recent downturn the dynamic shifted the market in favor of tenants.

As landlords re-priced units, on an effective rent basis, tenant demand from outside Manhattan began to materialize. As the recession continued to impact households through 2010, many chose to re-locate into Manhattan from other boroughs or from New Jersey's waterfront areas as Manhattan rents became more affordable.

Institutional demand from hospitals and schools, whose student populations typically rise during recessions, was also a generator for apartment demand. Units are used for faculty, staff housing, students, and often medical professionals.

The rental market began to show signs of stability in late 2009 and early 2010. Landlords stopped offering concessions by the end of the second quarter 2010 with the exception of new developments that were in initial lease-up phases. Many analysts and investors projected large rental rate increases in the ensuing years as the supply of new housing product was limited as little new construction was financed during the period between 2008 and year end 2010. These projections were borne out as is evidenced by the year-over-year rent increases reported by the major brokerage firms that track the rental market. Effective rent increases were dramatic in 2010 as they were compared to the lows witnessed in 2009 and decreased levels of concessions. However, rental rates continued to increase throughout the period between 2011 and 2015. This trend is anticipated to continue in the coming years. Positive supply dynamics are being created by the lack of new rental inventory entering the market as well as rental inventory being removed from the market through condominium conversions. Transactionally, there have been numerous sales of residential assets throughout the city since 2010. Investors continue to seek quality assets for acquisition. However, there is little inventory for sale and as such competition for assets is great. Given the positive supply dynamics that will impact the market the coming years, the outlook for the market is positive.

CONDO MARKET

The condominium market has been in transition the past several years with dramatic fluctuations in pricing and the velocity of sales.

The velocity of sales in the condominium market has shown steady growth in Manhattan. Since the first quarter of 2008, there have been a total of 37,525 condominium transactions indicating an average absorption of 1,251 units per quarter over this time period. The low end of the range was witnessed in the first quarter of 2009 with a total of 781 units absorbed. The high end of the range during this period was witnessed in the first quarter of 2008, second quarter of 2008, and third quarter 2011 with 2,282, 1,827, and 1,789 units being absorbed, respectively. The Manhattan condominium market sales data and statistics are reported by three of the most prominent residential brokerage firms in New York City: Prudential Douglas Elliman, The Corcoran Group, and Brown Harris Stevens. The historical comparison of certain statistics is impacted by the classifications these firms use, and in some cases, statistics are not uniformly reported. Nevertheless, the chart on the following page indicates market-wide, average and median condominium sales prices by quarter since the first quarter of 2008. Although the statistics vary between firms, prices from the previous boom period peaked between the first quarter of 2008 and first quarter 2009. However, by the end of 2008, the average condominium sales prices decreased from 14.22 to 14.65 percent from the beginning of the year. Oddly, in the first quarter of 2009, the unit prices of condominiums analyzed by Prudential Douglas Elliman reached record high sales despite the declining market conditions. According to the firm, this was mainly due to the sizes of the condominium sales, which averaged 1,680 square feet. This was approximately 39.7 percent larger than the average unit size in the first quarter of 2008 statistics.

The overall market statistics between 2011 and 2015 indicate positive trends. Although there are some variations between the various brokerage firms the overall statistics for the market are positive. For much of this time period, growth was relatively steady but gradual. There was some acceleration in pricing from the second half of 2013 through the end of 2014. Brokerage firms report that the acceleration trend was the result of sales inventory skewing towards more expensive product, particularly from new developments. In the second quarter of 2015, Prudential Douglas Elliman reported a 11.9 percent increase while Brown Harris Stevens reported a quarterly increase of 0.1 percent. Despite the mixed signals from firms during the quarter, the average condominium sales price remains at or near peak levels.

As investors must use significantly greater levels of equity, and demand greater returns commensurate with risk, prices decrease. In 2011, there was some level of economic pressure on the development community while financing was still constrained due to stricter lending standards in 2012. However, New York City has witnessed liquidity returning to the market. Given the lack of construction financing from 2008 through 2010, there were very little meaningful additions to supply in 2011 and 2012. This limited competition in subsequent years and has had a positive impact on pricing and absorption in the market as is evident in the 2013 and 2014 statistics. Lower tier developments that lack amenities and good finish levels, as well as developments in “fringe” neighborhoods, that have been previously constructed and selling out appear to have been most impacted. Well designed, well located, and unique developments are expected to continue to fare above average. Manhattan is expected to see a number of new residential developments in 2015. These are mostly luxury tier properties with large format units.

The major brokerage firms all report pricing metrics that are at or near the highest on record. For luxury developments, buyers are now willing to purchase units prior to completion based solely upon floorplans. However, the statistics reflect only closed transactions and do not include contracts for buildings under construction. There are a number of luxury buildings that are under construction. New developments in the current market have been well received with significant amounts of inventory being placed into contract during the construction period. The sponsors of most luxury buildings have increased pricing significantly during their sellout periods as well. For example, 56 Leonard Street is under construction. The building will have 145 units upon completion. In the first 9 months of marketing units, all but 9 units were placed under contract. This equates to an absorption rate of 15.1 units per month. Additionally, the developer raised pricing 27 times over that 9-month period. This is a trend that is occurring in many parts of Manhattan. However, this contract data is not reflected in the current statistics as they do not represent closed transactions. With positive supply dynamics to continue to impact the market coupled with a low interest rate environment, improving economy, and the availability of financing, the positive trends in the market are expected to continue for the foreseeable future. We believe that the current for-sale market is very strong and the outlook for the for-sale market in Manhattan is positive.

Overview Conclusion

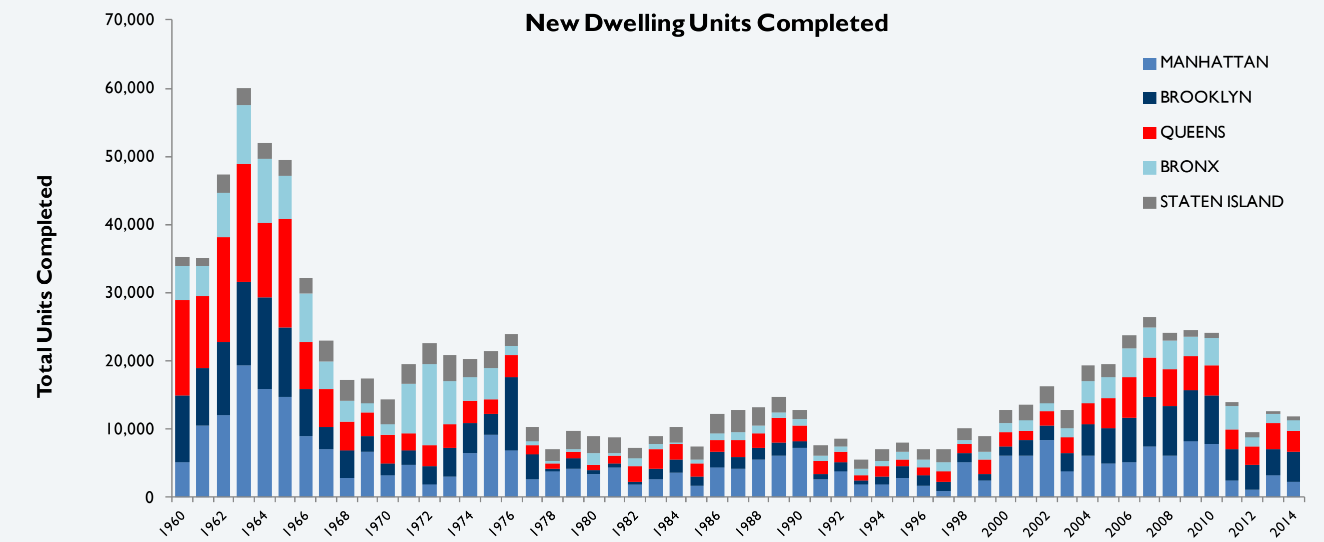
The New York City residential market has recovered strongly from the most recent recession and is enjoying a period of expansion. Rental rates and for-sale pricing continue to increase and new units are being absorbed relatively quickly. Though the new construction pipeline is beginning to grow, the relative paucity of units completed immediately after the recession has resulted in a supply shortage, especially in the face of strong demand. This trend is expected to continue in the near future even as new supply enters the market in increasing numbers.

INVENTORY

In the following discussion of the inventory contained in the New York City residential market, we have relied upon information published by the New York City Department of Housing Preservation and Development in its Housing and Vacancy Surveys as well as the Rent Guidelines Board in its Housing Supply reports.

The Housing and Vacancy Survey by New York City Department of Housing Preservation and Development is the most comprehensive statistical report on the City’s housing stock. The survey is completed every three years and is published in the subsequent year following the survey. The most recent survey was completed in 2014. While the full results of the survey have not yet been released, the Department of Housing Preservation and Development (HPD) has published its initial findings from the survey. While other firms provide statistics on the housing market in the City, the Housing and Vacancy Survey conducted by the City is the most comprehensive and reliable survey.

New York City’s residential market is characterized by its size and complexity. There are over 3.4 million housing units in the City’s five boroughs, ranging from apartments in public housing complexes to luxury condominiums, walk-ups, townhouses and mansions. Roughly 24,047 new housing units were completed and entered the market in 2010, an increase of nearly 8.2 percent from 2009. The number of completions fell in Queens, Brooklyn, and Staten Island, but this decrease was offset by the surges in Manhattan and the Bronx, which rose by 44.3 percent and 33.0 percent, respectively. The financial crisis and economic downturn led to decreases in completions in 2011. All boroughs witnessed decreases with the largest witnessed in Manhattan. Overall, completions in the City decreased by approximately 42 percent from 2010 to 2011. Completions continued to decline in 2012. That year witnessed the lowest level of completions in the past 4 years. The completions rebounded in 2013, with a 34.1 percent increase year over year. Despite the rebound, completions actually declined slightly in 2014, falling 6.4 percent to 11,867 units. The following chart illustrates the breakdown of new unit completions by borough over the past half century.



Source: New York City Department of City Planning, compiled by the New York City Rent Guidelines Board
Note: Data from 2004-2014 includes both Final Certificates of Occupancy and Temporary Certificates of Occupancy

The typical development time for a new residential building is 16 to 24 months once all approvals are granted. When the economy turned severely during the downturn, new buildings were still being delivered. Given the lag in permits issued to date relative to competition, units entering the market decreased significantly despite healthier economic conditions in 2011 through 2013. Permit issuance has been trending upward since the end of the recession, signaling an uptick in housing deliveries over the next several years.

The residential market can be further divided into owner-occupied property and rental property. The rental market is New York City's largest residential category, comprising approximately 68 percent of all housing inventory. The remaining 32 percent of housing units in the five boroughs are owner units. This ratio is nearly the opposite of the national average, whereby two out of three households are owner occupied. Comparatively, in 1996 total owner units equated to 29.7 percent of the total housing units in New York City.

The following table provides an overview of New York City's housing inventory. The information was taken from the United States Bureau of the Census data, which is published triennially in the Housing and Vacancy Report by New York City Department of Housing Preservation and Development. The data included in the following charts was taken from the 1996-2014 reports. The 2014 Housing and Vacancy Survey is the most recent data published by the Department of Housing Preservation and Development (HPD).

HOUSING INVENTORY ANALYSIS FOR NEW YORK								
Inventory	1996	1999	2002	2005	2008	2011	2014	% Change 2011-2014
Total Housing Units	**2,995,275**	**3,038,797**	**3,208,587**	**3,260,856**	**3,328,648**	**3,352,041**	**3,400,093**	1.4%
Total Owner Units	857,764	932,123	997,003	1,031,780	1,045,953	1,014,940	1,033,226	1.8%
Owner Occupied	834,183	915,126	981,814	1,010,370	1,019,365	984,066	1,015,299	3.2%
Vacant for Sale	23,581	16,997	15,189	21,410	26,588	30,875	17,926	-41.9%
Total Rental Units	2,027,421	2,017,701	2,084,769	2,092,363	2,144,652	2,172,634	2,184,297	0.5%
Renter Occupied	1,946,165	1,953,289	2,023,504	2,027,626	2,082,890	2,104,816	2,108,838	0.2%
Vacant for Rent	81,256	64,412	61,265	64,737	61,762	67,818	75,458	11.3%
Total Vacant Units Not Available	110,090	88,973	126,815	136,712	138,043	164,000	182,571	11.3%

Source: New York City Housing and Vacancy Surveys

The table above indicates that there was a 1.44 percent increase in the entire inventory for New York City between the years of 2011 and 2014 totaling 48,052 housing units. Comparatively, New York City added 23,393 housing units from 2008 to 2011, a gain of 0.70 percent. The greatest increases were shown in the number of units vacant for rent units. This category increased by approximately 11.27 percent over the three-year period. Negative changes were exhibited by the number of total owner occupied units vacant for sale. This trend suggests renters are increasingly looking to enter the ownership market, and are competing for relatively little product.

In 2014, the Housing and Vacancy Survey reports total inventory at 3,400,093, an increase of 48,052 units since 2011. The following chart details total housing units by borough, excluding vacant and dilapidated housing units as of 2014.

2014 HOUSING BREAKDOWN BY BOROUGH			
	Total Renter Occupied	Total Owner Occupied	Total Units Occupied
Total	**2,108,838**	**1,015,299**	**3,124,137**
Bronx	380,084	102,231	482,315
Brooklyn	661,545	270,647	932,192
Manhattan	572,169	189,100	761,269
Queens	437,204	347,567	784,771
Staten Island	57,836	105,754	163,590

Source: 2014 New York City Housing and Vacancy Survey

The 2014 NYC Housing and Vacancy Survey results indicate that dramatic changes have occurred in the New York City housing market since the 1996 survey. Total housing units, excluding those units vacant and unavailable, increased by 332,338, or 11.52 percent over the 1996 period. Total owner occupied units increased by 21.71 percent since 1996.

According to the 2014 New York City Housing and Vacancy Survey, Brooklyn had the largest share of renter-occupied units, and total occupied units, 31.37 percent and 29.84 percent of total units in New York City respectively. Within New York City, Queens had the largest number of owner occupied units, 34.23 percent of the total owner occupied units. Manhattan represented an ownership rate of 18.63 percent, 27.13 percent of New York City's total renter occupied units, and 24.37 percent of the total occupied units.

Over the last three years, the number of rental units in New York City has increased by 0.54 percent, or 11,663 units. Despite this increase, the city's net rental vacancy rate has only increased from 3.12 percent to 3.45 percent. In summary, the preliminary 2014 NYC Vacancy and Housing Survey results indicate the market remains strong for property owners.

RENTAL VACANCY

New York City's rental housing market is governed by rent control and rent stabilization regulations. One of the major factors affecting rent control and stabilization law is the rental vacancy rate. This takes into account vacant, non-dilapidated units that are available for rent. Under New York State law, when a 5 percent vacancy rate is reached, rent control and rent stabilization are suspended. This, however, is something that has never occurred in the history of New York rent regulations.

New York State and City used various sources to determine the residential vacancy rate. Tenant advocacy groups have continuously maintained that the rental vacancy rate is below 3 percent. In past recessionary years, landlord groups argued that the vacancy rate was above 5 percent, including unconverted co-ops, condominiums and vacant owner-occupied housing.

According to the United States Bureau of the Census data, which is published triennially in the Housing and Vacancy Report for New York City Department of Housing Preservation and Development, the vacancy rate has remained at approximately 3 - 4 percent for the past two decades. The constant low levels of vacancy, one of the lowest in the country, have left New York City with a perpetual housing shortage, some of which can be attributed to rent control and rent stabilization themselves. The following chart delineates the most recent information available regarding housing and vacancy rates for the New York City Boroughs. These figures were included in the 1996 through 2014 Housing and Vacancy Surveys.

NEW YORK CITY RENTAL VACANCY RATE

	1993	1996	1999	2002	2005	2008	2011	2014
Manhattan	3.52%	3.47%	2.57%	3.86%	3.79%	2.70%	2.80%	4.07%
Brooklyn	3.25%	4.20%	3.26%	2.73%	2.78%	2.34%	2.61%	3.06%
Queens	3.07%	3.28%	2.11%	1.78%	2.82%	3.32%	3.79%	2.69%
Bronx	3.99%	5.43%	5.04%	3.29%	2.63%	3.07%	3.23%	3.77%
Staten Island	4.14%	4.17%	5.82%	2.43%	-	6.37%	6.65%	5.50%
Overall New York City	3.44%	4.01%	3.19%	2.94%	3.09%	2.88%	3.12%	3.45%

Source: U.S. Bureau of the Census; New York City Housing and Vacancy Surveys

Note: Staten Island vacancy rates come from a small sample, so are likely to have large sampling error

The vacancy rate for units available for rent in the City for 2014 was 3.45 percent. It was 3.12 percent during a similar period in 2008. The 2014 rental vacancy rate is significantly lower than 5.0 percent and, thus, meets the legal definition of a housing emergency in the City.

RENT CONTROL AND STABILIZATION

Rent control regulations were first introduced by the federal government during World War II. New York State chose to continue this legislation in 1947, intended as a temporary measure to prevent dramatically increasing rents following the war. The laws were modified and replaced in 1969 by rent stabilization regulations. Over the past decades the regulations have been revised and extended numerous times, most recently in June 2015.

Both rent control and rent stabilization guidelines establish the increase in rent that can be charged for a vacant apartment and for a lease that is renewed by the same tenant. A tenant in an apartment subject to rent control or stabilization cannot be evicted except under extraordinary circumstances. Furthermore, tenants in these apartments have certain "succession rights", through which a unit can be "passed down" for a single generation without incurring a vacancy allowance rent increase. An increase in rent is also permitted following a tenant's vacating a formerly rent controlled or rent stabilized apartment, if the landlord then renovates the unit. The renovation must normally comprise a new kitchen and bathroom along with refinished floors. The apartment may then be leased at a market level upon vacancy and becomes covered by rent stabilization. The laws allow for an increase of a renovated apartment's rent by an amount of the certified construction cost incurred by the landlord. Landlords of rent controlled apartments are permitted to increase rents up to 7.5 percent per annum. When a tenant vacates a rent-controlled apartment, the unit is “decontrolled” and is then subject to rent stabilization. A landlord may increase the rent for a decontrolled apartment by up to 50 percent over the maximum rent collectible from the previous tenant.

In general, these laws affect apartment buildings with more than six apartments and those which receive any of a number of City-sponsored real estate tax abatements and/or tax exemptions. Approximately 1.05 million or 48.4 percent of the rental apartments in New York City are subject to rent control or rent stabilization laws, which is a decrease from the 70 percent subject to restrictions during the early 1990's. Some 33,600 apartments in New York City (based on the 2014 Housing and Vacancy Survey) remain under the protection of rent control laws, a 28.4 percent decrease since 2011.

Rent control and rent stabilization are under the auspices of the New York State Division of Housing and Community Renewal (DHCR). The New York State legislature debates the issue every few years as the laws are due to expire. The most recent legislation was renewed in June 2015 for a period of 4 years. The new laws will take effect beginning January 1st, 2016. There were several key changes to the legislation that affect both tenants and landlords. The luxury decontrol threshold was increased from $2,500 to $2,700, and annual increases will be indexed to the most recent one-year renewal increases which are voted upon by the Rent Guidelines Board. In addition, the increased rent a landlord can charge following a major renovation has changed. For buildings with at least 35 units, the recapture period will increase from 84 to 108 months. The recapture period for buildings with fewer than 35 units will increase from 84 to 96 months. The legislation continues to allow for 1/60th of the total certified costs of improvements to be passed through to the tenant in the form of a rent increase.

The annual household income threshold for decontrol will remain at $200,000. For luxury decontrol to occur, the $200,000 threshold must be exceeded by a tenant for two consecutive years.

In addition to the regulations which are generally renewed every four years, the Rent Guidelines Board votes annually on the maximum allowed rent increases for rent stabilized units. The latest guidelines were announced in June 2015. For the first time in 46 years, no rent increases will be allowed for one-year leases. In addition, the increase allowed for two-year leases is 2.0 percent, the lowest increase in the program's history. The rent changes will apply to leases starting October 1st, 2015 and will be in place until September 30th, 2016.

RENT INCREASE GUIDELINES ESTABLISHED BY THE NEW YORK STATE RENT STABILIZATION LAW

Year	1 Year Lease	2 Year Lease	Vacancy Allowance (1)
2015	0.00%	2.00%	18.00%
2014	1.00%	2.75%	18.25%
2013	4.00%	7.75%	16.25%
2012	2.00%	4.00%	18.00%
2011	3.75%	7.25%	16.50%
2010	2.25%	4.50%	17.75%
2009	3.00%	6.00%	17.00%
2008	4.50%	8.50%	16.00%
2007	3.00%	5.75%	17.25%
2006	4.25%	7.25%	17%+
2005	2.75%	5.50%	17%+
2004	3.50%	6.50%	17%+
2003	4.50%	7.50%	17%+
2002	2.00%	4.00%	18%+
2001	4.00%	6.00%	18%+
2000	4.00%	6.00%	18%+
1999	2.00%	4.00%	18%+
1998	2.00%	4.00%	18%+
1997	2.00%	4.00%	18%+ (1)
1996	5.00%	7.00%	9.00%
1995	2.00%	4.00%	5.00%
1994	2.00%	4.00%	5.00%
1993	3.00%	5.00%	5.00%
1992	3.00%	5.00%	5.00%
1991	4.00%	6.50%	5.00%
1990	4.50%	7.00%	5.00%
1989	6.00%	9.00%	12.00%
1988	6.00%	9.00%	12.00%
Average increase	**3.21%**	**5.71%**	**12.11%**

Source: Rent Guidelines Board

(1) The Rent Regulation Reform Act of 1997 provides several new formulas for computing vacancy allowance, which are presented in a later table of this analysis.

The allowed increases for newly vacant apartments is calculated from the one-year and two-year increases.

The following table illustrates the formulas for determining vacancy increases:

VACANCY INCREASE CALCULATIONS			
SCENARIO A	SCENARIO B	SCENARIO C	SCENARIO D
Minimum one vacancy in last 8 years; Rent > $500	Minimum one vacancy in last 8 years; Rent < $500	No vacancy in last 8 years; Rent < $500	Minimum one vacancy in last 8 years; Rent >$500
(1)Two Year Term - 20% increase	If the legal regulated rent is less than $300, the total increase is calculated as in (1) or (2) plus $100.	# of years since last vacancy (or since the unit was first stabilized) times 0.6% plus (1) or (2).	Multiply the number of years since the last vacancy (or since the unit was first stabilized) times 0.6%. Add this figure to (1) or (2) to determine the percentage increase.
(2) One Year Term – 20% less the difference between one and two year lease renewals for appropriate year.	If the legal regulated rent is at least $300 and no more than $500, the total increase is as outlined in "(1)" or "(2)" or $100, whichever is greater.	Units under $300 add $100, or 20%.	
i.e. 1997: 20%-(7%-5%)=18%			

There are separate rules, however, for newly vacant units in which the departing resident was paying a preferential rent. In other words, these separate rules only apply to units where the tenant was paying less than the full legal rent. For newly vacant units whose lease commenced less than 2 years ago, a rent increase of 5.0 percent is allowed. Each additional year since the lease commenced allows for an additional 5.0 percent increase, up to a maximum 20.0 percent increase. All newly vacant units whose lease commenced more than four years ago are allowed a 20.0 percent increase.

DEMAND

The demand for new housing is not relegated to luxury housing. But the city's residential base is upwardly mobile. Prime areas witness residential conversions from rental to condominium use. Fringe areas witness new construction of all types. New neighborhoods are forming in old industrial districts. Immigrant household formation typically places upward pressure from the most basic housing types to better accommodated buildings and better locations. Coupled with the dynamics of extraordinary high incomes for the uppermost component of the market, demand is fueling development of all types of housing.

Demand for new units also comes from several factors that are not easily analyzed by statistics. New York City and Manhattan in particular has a very high barrier to entry. Development sites may take years to assemble and hi-rise construction is costly and technically difficult. New inventory, even luxury class, is often constructed on the fringe of existing neighborhoods where sites are more easily assembled. The truly prime areas of the city rarely witness new development. The existing housing stock is aging, with most dwelling units constructed 40 years or more ago. Rent control and stabilization laws have played a role in landlords' reluctance to make capital improvements to buildings especially between 1950s and 1985, as the profit motivation was negligible. One result is that some well located, but poorly finished, rental buildings can command high rents from luxury de-controlled tenants. When faced with the prospect of paying a market rent, some tenants will naturally re-locate to buildings with newer and superior finishes, and physical and service amenities.

SUPPLY

The supply of new residential inventory varies year by year. Roughly 24,047 new housing units were completed in New York City and entered the market in 2010, an increase from the 22,229 units completed in 2009. Completions decreased significantly in 2011 and 2012, but began to trend upward in 2013. As detailed earlier, the total number of units completed declined slightly in 2014.

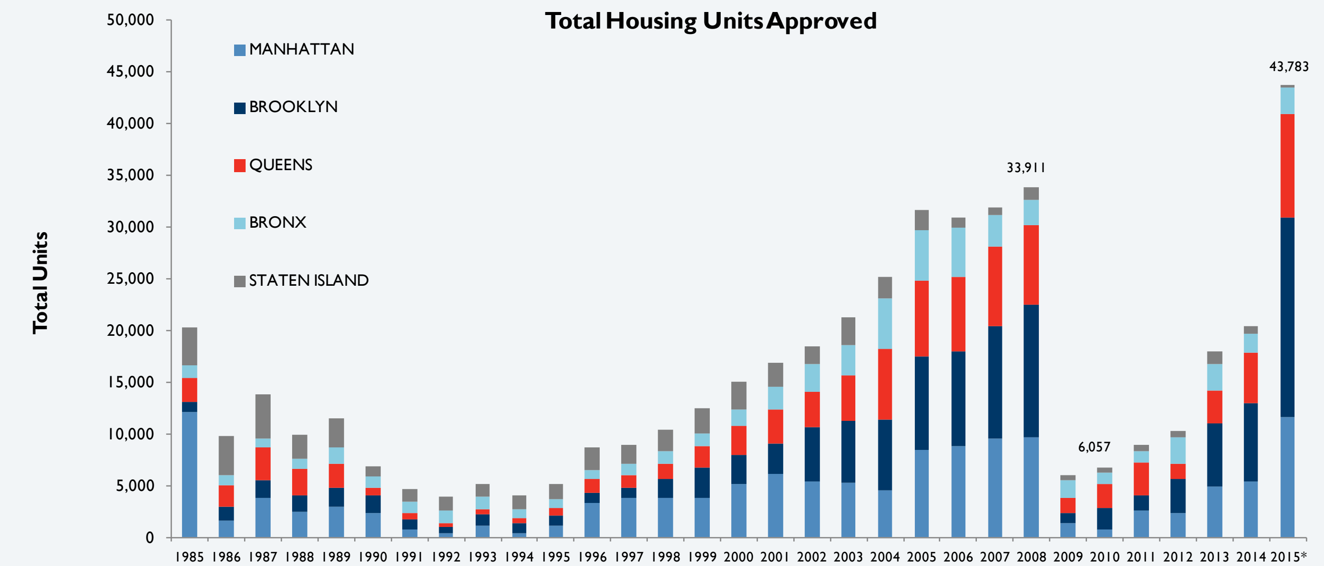
Between 1985 and 2014, permits issued for New York City averaged 14,372. For the most recent 10 year period, concluding in 2014, the average is 19,882. A review of the historical permits issued presents a relative base for new inventory trends. The number of permits issued in 2014 (20,428 units) is slightly higher than the 10-year average.

A forecast of supply must consider wide ranging variables such as availability and pricing of land, zoning, construction costs, availability and cost of equity and debt, and perceived demand. New York City experienced an upward trend starting in 1995 and continuing through 2005 with a slight decline in 2006.

During 2005 and continuing through 2008, permits issued for Manhattan were at the highest levels since 1985. 2008 peaked with a record 9,700 units. As can be seen, the number of permits issued in 2009 showed a significant decrease, with less than 1,500 permits issued. Calendar year 2010 indicated a further slowdown compared to 2009. A total of 704 permits were issued compared to 1,363 in 2009.

This decrease in the amount of permits issued resulted in a significant decrease in the amount of supply entering the market during the period between 2009 and 2013. According to the New York City Rent Guidelines Board's 2014 Housing Supply report (most recently published in May 2014), 1,159 and 3,126 units were delivered to the Manhattan market in 2012 and 2013, respectively. These included units in projects approved in 2009 and 2010, as well as projects previously approved but in which construction had stalled during the downturn.

While the number of permits issued in each year has increased since the recession ended, the amount of permits issued during this time is below historic averages. For example, 20,428 permits were issued in 2014, fewer than the number issued in any year from 2003 through 2008. There has been a sharp increase in the number of permits issued so far in 2015, but it was widely reported that this increase was driven by impending changes to the 421-a tax incentive program, as well as the EB-5 incentive program. Developers rushed many potential projects through the approvals process in order to secure these incentives in the face of future uncertainty. From our discussions with market participants, a number of these projects were not necessarily shovel-ready and may not translate into immediate housing starts. Consequently, the sharp increase in building permits should be viewed cautiously. It is probable that permit issuance will slow over the rest of 2015 and into 2016, as less mature projects were "pulled forward" in order to secure tax incentives under familiar rules. The chart on the following page illustrates the trend of housing units approved in New York City:



Source U.S. Bureau of the Census
*YTD through July 2015

AREA ECONOMIC MARKET FORECASTS

Given the status of the marketplace, we researched several market reports and economic forecasts for the area. We reference the Federal Reserve Board's Beige Book, which states the following.

The Federal Reserve Bank of New York's Beige Book reports as of June 3, 2015, the Second District's economic activity has continued at a modest pace. Many economic indicators are positive across all sectors. Labor markets have been somewhat subdued in the early weeks of summer but there has been some upward wage pressures in the service sector. Commercial construction and multi-family residential construction picked up in the second quarter of 2015, and banks report stronger loan demand, narrowing loan spreads, and lower delinquency rates. The tourism industry has shown recent signs of some slowing, however, with Manhattan hotels and Broadway theaters reporting some weakening in revenues.

We also reference the Marcus & Millichap 2015 Outlook apartment market report for New York City, which briefly recaps 2014 and provides an outlook for remainder of 2015. The report notes the following:

- Employment in New York City will expand 2.3 percent in 2015. This equates to 92,500 new jobs. According to the firm, a total of 85,000 new jobs were created in 2014.
- Demand and positive fundamentals have pushed builders to continue developing and will lead to the completion of approximately 12,500 units in 2015. Manhattan and Brooklyn will account for 10,000 of these new units.
- Overall vacancy rates are expected to rise 40 basis points to 2.7 percent. This rate is well below the level required to declare a housing emergency in the City. The rate is also below the level indicated in the most recent Housing and Vacancy Survey (undertaken in 2014 and published in 2015).
- Rental rates increased by 1.8 percent in 2014. The firm projects an overall increase of 1.4 percent for 2015.

- The firm projects that there will be continued gains through foreign investment as New York City continues to be a safe alternative to other foreign real estate markets. In addition, the firm predicts that high-net-worth individuals will focus their investment attention on Class B/C assets in northern and downtown Brooklyn, especially in transitional locations. This focus will push less capitalized investors to Brooklyn's southern neighborhoods or into Queens.

Overall the firm is positive about the state of fundamentals of the rental and for-sale markets in New York City and anticipates that these fundamentals will continue throughout 2015.

Given the available economic and housing data and information from brokerage firms that track the market, we remain optimistic regarding the residential market in New York City.

SUMMARY AND CONCLUSIONS

The local economy has faced significant challenges over the residential market cycles beginning in 1995. The initial economic recovery following the recession of the early 1990s began to surge until the dot-com bust in 2000/2001. The tragic effects of the 9/11 terrorist attacks further eroded the city's job base. The residential sector continued to grow despite these factors.

Throughout the period between 2011 and 2015, buildings which we are familiar witnessed increased effective rents and generally lower vacancy. Owner concessions for free rent are routine for all new buildings coming onto the market. Building owners that offered concessions including free service and physical amenities in 2009 and early 2010 ceased in most cases.

For the foreseeable future, we believe the vacancy rate will remain below 3.0 percent. Property owners report continued demand for units from a tenant base that is attracted to superior quality, modern buildings when faced with paying a market rent for older, better located product. Furthermore, the trend to convert rental buildings to condominium form of ownership has once again become part of the investor market place. Many well located rental buildings are being converted impacting several thousand rental apartments. This will offset some new supply entering the market and maintain the positive supply conditions in the coming years.

New York City continues to attract investor interest in residential assets with strong levels of transaction activity and available financing. The high barrier to entry in New York City's development market, consisting in part to the extraordinarily high costs of construction, long development timing, high land costs, and complexity of the markets, in conjunction with the geographic realities of the other boroughs, will result in a continued trend for investors to pay a premium for assets in this market. The residential rental market continued to strengthen through the first half of 2015.

Affordable Housing

Agencies such as the New York City Housing Development Corporation (HDC) and the U.S Department of Housing and Urban Development (HUD) have implemented numerous programs as an incentive for developers to construct affordable housing. Since much of the new affordable housing construction involves these agencies, we have provided an outline of the agencies and several of the programs currently available. The information below was taken from the NYC HUD and HDC websites.

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

The New York City Housing Development Corporation (HDC) is one of the nation's leading issuers of bonds for multi-family affordable housing. Established as a public benefit corporation by the State of New York in 1971, HDC is responsible for financing the creation and preservation of affordable housing within the five boroughs of

New York City.

The financing provided by HDC is in the form of low-cost mortgages made through the sale of tax-exempt and taxable bonds. These mortgages are provided to developers for the construction and preservation of affordable housing. In addition, through HDC's corporate reserves, they provide subordinate mortgages, usually at a 1 percent interest rate.

By combining this with the proceeds from the bond sales, HDC is able to off-set some of the cost of constructing housing in New York City, and in turn, developers charge below-market rents. HDC programs are designed for multi-family rental housing and cooperative developments and serve a wide range of income segments from very-low to middle-income tenants.

The descriptions of several HDC programs, as reported on the New York City HDC website are presented on the following pages.

ELLA (Extremely Low & Low-Income Affordability)

This program provides financing for affordable rental housing for New Yorkers earning less than 60 percent of the area median income (AMI). ELLA combines a first mortgage loan that is funded with proceeds from tax-exempt bond sales with a subordinate loan. This second, subordinate loan is funded with HDC corporate reserves, as-of-right 4% Federal Low Income Housing Tax Credits, and other subsidies. The program may be used for new construction, rehabilitations, and conversions of non-residential buildings for developments with at least 100 units. HDC will also consider projects with at least 50 units on a case-by-case basis. Tenants in buildings funded by ELLA may pay up to 35 percent of their income toward net rents.

M2 (Mixed-Middle-Income Program)

Through HDC's award-winning 50/30/20 program, 20 percent of the apartments in a multi-family rental building are restricted for low-income tenants (less than 50 percent of AMI), 30 percent are reserved for middle-income tenants (at or below 130 percent of AMI) and the remaining are rented at market rates. HDC uses the proceeds from the sale of tax-exempt bonds to make first position mortgages and also uses its corporate reserves to make 1 percent second mortgage loans. The first mortgage may qualify the low-income units for as-of-right 4% Federal Low Income Housing Tax Credits. The 50/30/20 program is eligible for new rental construction, substantial rehabilitation, and conversions of non-residential buildings with at least 100 units. HDC will also consider projects with at least 50 units on a case-by-case basis.

50/30/20 Mixed-Income Program

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80/20 Program

The 80/20 program is sponsored by HDC, in conjunction with the New York State Housing Finance Agency and the New York City Department of Housing Preservation and Development. Under the 80/20 program, proceeds from the sale of tax-exempt bonds are used to create affordable housing throughout New York City, generally in desirable locations. In exchange for the low-cost financing, 20 percent of the apartment units are reserved for low-income tenants earning no more than 50 percent of AMI. The remaining units can be rented at market rates.

Preservation Program

HDC's Preservation Program provides tax-exempt, first-position bond financing, which brings as-of-right 4% Federal Low Income Housing Tax Credits. This financing is used for the acquisition and moderate rehabilitation of existing projects. Unlike many of HDC's other programs, the Preservation Program does not include a second subsidy mortgage. Under the Preservation Program, projects must have a minimum of 50 units and incur rehabilitation costs of no less than the greater of $6,000 per unit or 20 percent of the eligible basis, and 15 percent of the amount of acquisition costs financed by the bond proceeds. Units generally must have rents set at 60 percent of AMI.

Mitchell-Lama Preservation Program

The Mitchell-Lama program was enacted by the State in the mid-1950's as a way to promote and facilitate the construction of affordable rental and cooperative housing throughout New York State. The law stated that after twenty years from the occupancy date, the mortgagor is allowed to prepay its mortgage releasing the obligation of staying in the affordable housing program and giving owners the right to raise rents to market value. HDC created this preservation program as a means to encourage owners to keep their properties within the Mitchell-Lama guidelines. The Mitchell-Lama preservation initiative has two financing options: 1). Repair Loan Program and (2) Mortgage Restructuring Program.

U.S. Department of Housing and Urban Development

The U.S. Department of Housing and Redevelopment, created in 1965 to administer programs of the federal government which provide assistance for housing for the development of the nation's communities. HUD administers housing and home finance programs, the Public Housing Administration and FHA. HUD's mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination. To fulfill this mission, HUD will embrace high standards of ethics, management and accountability and forge new partnerships--particularly with faith-based and community organizations that leverage resources and improve HUD's ability to be effective on the community level.

A synopsis of two significant federal programs is provided on the following pages.

HOME Program

The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

HOME funds are awarded annually as formula grants to participating jurisdictions (PJs).The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

The program was designed to reinforce several important values and principles of community development:

- HOME's flexibility empowers people and communities to design and implement strategies tailored to their own needs and priorities.
- HOME's emphasis on consolidated planning expands and strengthens partnerships among all levels of

government and the private sector in the development of affordable housing.

- HOME's technical assistance activities and set-aside for qualified community-based nonprofit housing groups builds the capacity of these partners.
- HOME's requirement that participating jurisdictions match 25 cents of every dollar in program funds mobilizes community resources in support of affordable housing.

States are automatically eligible for HOME funds and receive either their formula allocation or $3 million, whichever is greater. Local jurisdictions eligible for at least $550,000 under the formula ($335,000 in years when Congress appropriates less than $1.5 billion for HOME) also can receive an allocation. The formula allocation considers the relative inadequacy of each jurisdiction's housing supply, its incidence of poverty, its fiscal distress, and other factors.

Communities that do not qualify for an individual allocation under the formula can join with one or more neighboring localities in a legally binding consortium whose members' combined allocation would meet the threshold for direct funding. Other localities may participate in HOME by applying for program funds made available by their State. Congress sets aside a pool of funding for distribution to insular areas, equivalent to the greater of $750,000 or 0.2 percent of appropriated funds.

Shortly after HOME funds become available each year, HUD informs eligible jurisdictions of the amounts earmarked for them. Participating jurisdictions must have a current and approved consolidated plan, which will include an action plan that describes how the jurisdiction will use its HOME funds. A newly eligible jurisdiction also must formally notify HUD of its intent to participate in the program.

Participating jurisdictions may choose among a broad range of eligible activities, using HOME funds to provide home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers; build or rehabilitate housing for rent or ownership; or for "other reasonable and necessary expenses related to the development of non-luxury housing," including site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development, and payment of relocation expenses. PJs may use HOME funds to provide tenant-based rental assistance contracts of up to 2 years if such activity is consistent with their Consolidated Plan and justified under local market conditions. This assistance may be renewed. Up to 10 percent of the PJ's annual allocation may be used for program planning and administration.

HOME-assisted rental housing must comply with certain rent limitations. HOME rent limits are published each year by HUD. The program also establishes maximum per unit subsidy limits and maximum purchase-price limits.

Some special conditions apply to the use of HOME funds. PJs must match every dollar of HOME funds used (except for administrative costs and CHDO predevelopment loans for projects that do not move forward) with 25 cents from nonfederal sources, which may include donated materials or labor, the value of donated property, proceeds from bond financing, and other resources. The match requirement may be reduced if the PJ is distressed or has suffered a Presidentially-declared disaster. In addition, PJs must reserve at least 15 percent of their allocations to fund housing to be owned, developed, or sponsored by experienced, community-driven nonprofit groups designated as Community Housing Development Organizations (CHDOs). PJs must ensure that HOME-funded housing units remain affordable in the long term (20 years for new construction of rental housing; 5-15 years for construction of homeownership housing and housing rehabilitation, depending on the amount of HOME subsidy). PJs have two years to commit funds (including reserving funds for CHDOs) and five years to spend funds.

The eligibility of households for HOME assistance varies with the nature of the funded activity. For rental housing and rental assistance, at least 90 percent of benefiting families must have incomes that are no more than 60 percent of the HUD-adjusted median family income for the area. In rental projects with five or more assisted units, at least 20% of the units must be occupied by families with incomes that do not exceed 50% of the HUD-adjusted median. The incomes of households receiving HUD assistance must not exceed 80 percent of the area median. HOME income limits are published each year by HUD.

Low Income Housing Tax Credits (LIHTC)

The LIHTC Program is an indirect Federal subsidy used to finance the development of affordable rental housing for low-income households. The LIHTC Program, which is based on Section 42 of the Internal Revenue Code, was enacted by Congress in 1986 to provide the private market with an incentive to invest in affordable rental housing. Federal housing tax credits are awarded to developers of qualified projects. Developers then sell these credits to investors to raise capital (or equity) for their projects, which reduces the debt that the developer would otherwise have to borrow. Because the debt is lower, a tax credit property can in turn offer lower, more affordable rents.

Provided the property maintains compliance with the program requirements, investors receive a dollar-for-dollar credit against their Federal tax liability each year over a period of 10 years. The amount of the annual credit is based on the amount invested in the affordable housing.

The State of New York signed a similar program into law in 2000. The NYS Low Income Housing Tax Credit (SLIHC) is modeled after the federal program with a few exceptions. SLIHC assisted units must serve households whose incomes are at or below 90 percent of the AMI, and the program provides a dollar-for-dollar reduction in state taxes for participating investors.

Property Analysis

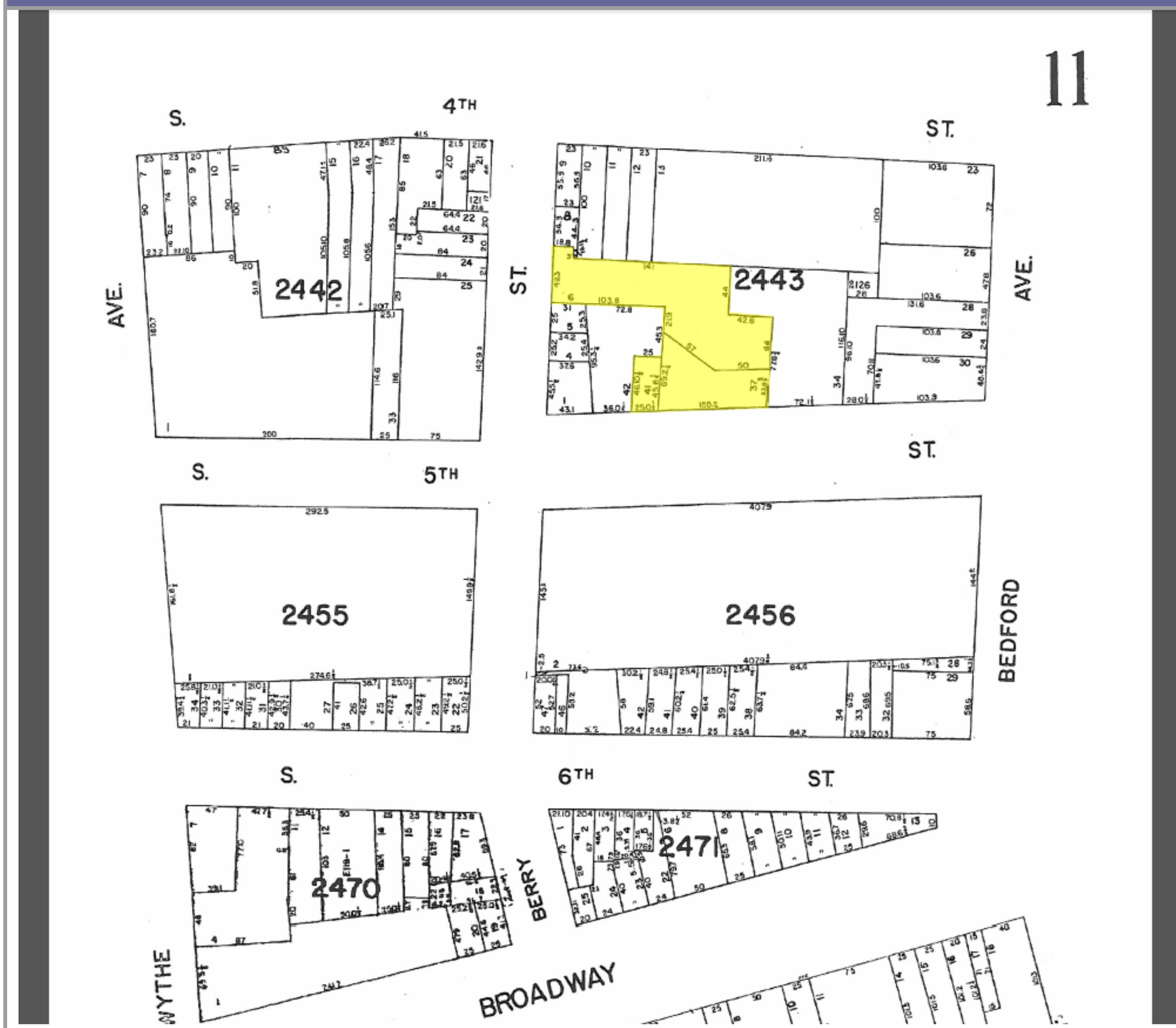
SITE DESCRIPTION

Location:	105 South 5th Street Brooklyn, Kings County, New York 10453 The subject site is located mid-block with frontage on Berry Street between South 4th and South 5th Streets and on the north side of South 5th Street between Berry Street and Bedford Avenue.
Shape:	Irregularly shaped
Topography:	Level at street grade
Land Area:	0.37 acres / 15,942 square feet
Frontage:	The subject site has good frontage. The frontage dimensions are listed below: South 5th Street: 125.17 feet Berry Street: 49.25 feet
Access:	The subject site has average access.
Visibility:	The subject site has good visibility.
Soil Conditions:	We were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support the existing and proposed structures. We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
Utilities:	All municipal/public utilities are provided and available to the site.
Site Improvements:	Upon completion, there will be typical city improvements including macadam paved streets, street lighting, concrete sidewalks, curbs and gutters and below ground utilities.
Land Use Restrictions:	We were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
Flood Zone Description:	The subject property is located in flood zone X (Special flood hazard areas subject to inundation by the 100-year flood determined in a Flood Insurance Study by detailed methods. Base flood elevations are shown within these zones. Mandatory flood insurance purchase requirements apply) as indicated by FEMA Map 360497-0082F, dated September 5, 2007.
Hazardous Substances:	We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.

Overall Site Utility: The subject site is functional for its proposed use.

Location Rating: Good

TAX MAP



IMPROVEMENTS DESCRIPTION

The following description of improvements is based on information provided by the developer about the proposed development.

GENERAL DESCRIPTION	
Year Built:	The developer has indicated that completion is estimated within 20 months. The typical construction period for affordable housing developments in the City is 18 to 24 months. Given the size and nature of the development, we believe a 20 month period is reasonable. As such, we have modeled for completion as of July 1, 2017.
Number of Units:	55 residential apartments (inclusive of the superintendent's unit). Fifty four apartments are considered rentable.
Number of Buildings:	1
Number of Stories:	11
Gross Building Area:	60,573 square feet
Net Rentable Area:	
Residential:	37,240 square feet
Retail:	3,903 square feet
Community Facility:	1,029 square feet
Total:	42,172 square feet
CONSTRUCTION DETAIL	
Basic Construction:	Structural steel and concrete
Foundation:	Poured in place concrete
Framing:	A combination of structural steel and reinforced concrete
Floors:	Poured in place concrete
Exterior Walls:	Commercial grade brick masonry veneer
Roof Type:	Flat deck roof with waterproof membrane cover on the new structure.
Windows:	Double pane thermal windows in aluminum frames
Pedestrian Doors:	Exterior entrance will be aluminum and glass. Interior unit doors will consist of hollow metal doors.
MECHANICAL DETAIL	
Heating/ Cooling System:	Heating and cooling to the residential units will be provided by PTAC units. The commercial component is assumed to have a forced air system.

Plumbing: The plumbing systems are assumed to be adequate for the proposed use and in compliance with local law and building codes. The plumbing systems will be typical of other properties in the area with a combination of PVC, steel, copper and cast iron piping throughout the building.

Electrical Service: Electricity for the building will be obtained through low voltage power lines.

Electrical Metering: Each apartment will be separately metered.

Emergency Power: None

Elevator Service: The building will feature one passenger elevator that will service all floors.

Fire Protection: The building will be fully sprinklered with smoke detectors and emergency lights where required. Standpipes in stairwells.

Security: The property will be monitored by security cameras located in the common areas throughout the building.

INTERIOR DETAIL

Layout: The subject property is proposed to contain a total of 55 residential units, of which 54 will generate revenue as one unit will be set aside for the superintendent. The affordable housing use includes 9 studios, 10 one-bedroom and 19 two-bedroom, low income units with rents set at 57% of the Area Median Income (AMI). In addition to affordable housing, the project includes 3 studios, 4 one-bedroom, 8 two-bedroom, and 1 three-bedroom unit for housing for the homeless.

The following chart provides a breakdown of the units exclusive of the superintendent's unit.

UNIT MIX			
Unit Type	No. of Units	Avg Size (SF)	Total SF
Studio	12	458	5,490
One-Bedroom	14	629	8,800
Two-Bedroom	27	809	21,840
Three-Bedroom	1	1,110	1,110
Total	**54**	**690**	**37,240**

The main entrance to the building will be located on South 5th Street. The ground floor of the building will contain a lobby, which will provide access to the mailboxes, stairwells, and elevator. Ceiling heights in apartments are assumed to be approximately 9 feet, which is consistent with other new developments in the area.

The basement of the building will include a bike storage room, and the ground floor will contain an onsite laundry room and a recreation room. The building also features outdoor recreation space in the rear of the ground floor, and on the roof of the section of the proposed building that is dedicated for community facility use. Tenants will also be provided an allowance for gas.

There will be a total of 14 surface parking spaces in the rear of the proposed building accessed via an entrance on Berry Street. The parking component is

	expected to be leased to tenants.
Floor Covering:	The residential units are assumed to have vinyl plank flooring in the living areas, bedrooms, and kitchens with ceramic tile flooring in the bathrooms. This is typical of affordable housing developments in the City.
Walls:	Walls will consist of painted gypsum drywall. Kitchens and bathrooms will have ceramic wall tile finishes.
Ceilings:	Ceilings will be painted gypsum board.
Lighting:	Fluorescent and Incandescent
Kitchens:	Kitchens are anticipated to have have vinyl plank flooring, formica countertops, average quality wood cabinets, and stainless steel appliances that include a refrigerator, 4-burner gas stove/oven, and dishwasher.
Bathrooms:	The bathrooms in the units are anticipated to have a mixture of ceramic tile flooring and walls and tub surrounds, formica vanity tops, and a porcelain bathtub.

AMENITIES

Project Amenities:	The development will contain a recreation room, bike storage, access to onsite laundry, as well as outdoor recreation space. 14 parking spaces will be available onsite for tenants.
Unit Amenities:	None.

SITE IMPROVEMENTS

Parking:	The development will contain 14 surface parking lots.
Onsite Landscaping:	There will be various tree plantings located around the building. Additionally, the rear-yard and roof decks will be landscaped.
Other:	Upon completion, there will be typical city improvements including macadam paved streets, street lighting, concrete sidewalks, curbs and gutters and below ground utilities.

PERSONAL PROPERTY

Personal property was excluded from our valuation.

SUMMARY

Condition:	Excellent Upon Completion
Quality:	Very Good Upon Completion
Physical Life:	The expected physical life of a new residential development is approximately 55-60 years.
Economic Life:	The economic life of a well maintained residential development is over 60 years.

Property Rating: After considering all of the physical characteristics of the proposed development, we have concluded that the property will have an overall rating that is very good, when measured against other properties in this marketplace.

REAL PROPERTY TAXES AND ASSESSMENTS

CURRENT PROPERTY TAXES

The subject property is located in the taxing jurisdiction of the City of New York. The assessor's parcel identification numbers are Block 2443 Lots 6, 37, and 41.

PROPERTY CLASSIFICATION

Real property within the five boroughs of New York City is given a tax class designation by the Department of Finance in conformance with the New York State Real Property Tax Law. Each tax classification has a specific tax rate, which is established annually. The tax classes are as follows:

> Class 1 - Includes all primarily residential one, two and three family homes; residential condominiums of three dwelling units or less; residential condominiums of three stories or less that were originally built as condominiums; and certain vacant land zoned for residential use or adjoining improved Class 1 property.
>
> Class 2 - Includes all other primarily residential properties that are not in Class 1, including cooperatives and all other residential condominiums. This classification does not include hotels, motels or other similar property.
>
> Class 3 - Includes all utility corporations and special franchise properties, excluding land and certain buildings.
>
> Class 4 - Includes all other properties, such as stores, warehouses, hotels and vacant land not classified as class 1.

The lots that comprise the subject site (as defined by the Department of Finance) are currently classified as a Class 4 property. The current assessments for these lots are as follows.

PROPERTY ASSESSMENT INFORMATION	
Assessor's Parcel Number:	Block 2443 Lots 6, 37, and 41
Assessing Authority:	City of New York
Current Tax Year:	2015/2016

ASSESSMENT INFORMATION		
	Actual	Transitional
Land:	$385,200	$342,155
Improvements:	$143,550	$102,420
Total Assessment	$528,750	$444,575
Exemption:	(528,750)	(444,575)
Taxable Assessment:	$0	$0

TAX LIABILITY	
Tax Rate	10.656%
Property Taxes (Exempt)	**$0**
Property Taxes (Assuming Un-Exempt)	**$47,374**

Compiled by Cushman & Wakefield, Inc.

Taxes are based on the lower of the transitional or actual assessments. The City's fiscal year begins July 1 each year. The 2015/2016 tax rate for Class 4 properties is $10.656 per $100 of assessed value. However, as the site is presently owned by the City of New York through HPD, the site is fully tax exempt.

Assuming the subject site were not exempt from taxes, Applying the 2015/2016 Class 4 tax rate to the subject's unexempt transitional assessment, results in a total tax obligation of $47,374 for the 2015/2016 fiscal year.

Residential Assessment Upon Completion - Affordable Housing Scenario

Upon completion, the subject property will be assessed. We have analyzed other affordable housing apartment buildings to derive an appropriate assessment upon completion of the building. These developments, which reflect the current levels of assessments and real estate taxes of affordable housing buildings, are summarized in the following chart.

REAL ESTATE TAX COMPARABLES - AFFORDABLE HOUSING SCENARIO

No.	Property Name & Location	GBA	Year Built	No. of Stories	Total Assessment	Assess/SF	Total Taxes	Taxes/SF
1	440 Berry Street	58,430	1995	6	$2,734,650	$46.80	$351,539	$6.02
2	277 Myrtle Avenue	216,700	1942	6	$5,371,650	$24.79	$690,526	$3.19
3	55 Ross Street	94,500	1974	13	$3,940,650	$41.70	$506,571	$5.36
4	626 Wythe Avenue	151,690	1974	11	$5,170,050	$34.08	$664,610	$4.38
5	101 Humboldt Street	57,125	1972	7	$1,134,900	$19.87	$145,891	$2.55
6	300 Bushwick Avenue	69,065	1972	7	$1,301,850	$18.85	$167,353	$2.42
STATISTICS								
Low:		57,125		6	$1,134,900	$18.85	$145,891	$2.42
High:		216,700		13	$5,371,650	$46.80	$690,526	$6.02
Average:		107,918		8	$3,275,625	$31.02	$421,082	$3.99

Compiled by Cushmand & Wakefield, Inc.

The developments included in the above chart develop a range of assessment per square foot of gross building area from a low of $18.85 to a high of $46.80 with an average of $31.02 per square foot. Discussions with the

New York City Tax Assessor – Kings County Office have shown that, upon completion, a new affordable housing apartment building would be expected to develop an assessment within the range exhibited by the comparables. Factors taken into consideration by the Assessor's office include the location and quality of finish of the completed development, as well as the number of stories. Additionally, the income producing potential of a property is important as the most widely used methodology used by assessors in determining an appropriate assessment is the Income Capitalization Approach.

The comparables detailed in the chart above are reflective of new construction and represent affordable housing buildings. Their nature as affordable housing structures, and as such their income producing potential, has more impact on their assessments than the age or size of the improvements. Therefore, these are the most appropriate comparables from which to derive an assessment for the proposed affordable housing development.

Based upon this information, we believe that upon completion of the subject building, the assessment will be established based upon a unit assessment of $25 per square foot of the residential gross building area. This conclusion is within the range of the comparables. This unit assessment equates to a total assessment of $1,391,175 based on the above grade residential gross building area of 55,647 square feet. Based upon the current 2015/2016 Class 2 tax rate of $12.883 per $100 of assessed value increasing 3.0 percent per year, real estate taxes would be $3.46 per square foot upon stabilization in fiscal year beginning December 2017.

420c Tax Abatement

As an affordable housing development, the subject property will qualify for a tax abatement. In the instance of the subject development, the residential component of the property will benefit from a 420c tax abatement. This tax abatement program is available to developers throughout the City that construct affordable housing projects. The program is regulated through the New York City Department of Housing Preservation and Development (HPD), which is one agency that oversees the development of affordable housing in the City. The abatement allows for a development's assessed value to be 100 percent abated for a period of 30 years. According to the developer, the subject property will benefit from an 420c tax abatement. As the development will consist of affordable housing, we have modeled for a 420c tax abatement consistent with other affordable housing developments with which we are familiar.

The chart on the following page illustrates the projected taxes for the subject property on a tax fiscal year basis beginning December 1, 2017, the date of stabilization. The tax rate is assumed to increase 3.0 percent each year, and the building and land assessments are assumed to stay constant upon completion of the building. Although tax rates in New York City tend to be fairly static historically, we used this as a means of projecting increased real estate tax expenses in the future. We note that per our scope of work, we have not trended the tax rates between the date of value and first year of the tax analysis.

The chart depicts actual and non-abated taxes based upon the 420c tax exemption status. Upon completion, the property's existing total assessed value is 100 percent exempt for 30 years. We have analyzed the taxes based upon the 30-year 420c abatement for which the subject qualifies, and upon full taxes being incurred. The full fiscal year taxes excluding the exemption have been used in the proforma presented later in the Income Capitalization Approach. The developer's savings attributable to the 420c tax abatement, as exhibited in the chart on the second following page, have been discounted separately to a present value. Using a discount rate of 5.0 percent, the present value of the 420c tax abatement is **$4,200,000**, rounded.

A discount rate of 5.0 percent is reflective of the risk associated with this abatement, which is an agreement between a government entity and the developer. While there is inherent risk associated with dealing with a government agency, this risk is perceived as minimal compared to other forms of investment in the market. Additionally, because the benefits of the abatement are so great, the developer is not likely to break the covenants of the abatement. As such, a 5.0 percent discount rate is considered to be reasonable.

420c TAX ABATEMENT PROJECTION
105 SOUTH 5TH STREET
BROOKLYN, NEW YORK

ABATEMENT PERIOD	TAX YEAR	PAYABLE LAND AV	ACTUAL/EST. BUILDING AV	TOTAL AV	% EXEMPT	$ EXEMPT	TOTAL PAY AV	TAX RATE	FY TAXES BEG. JULY	FY TAXES BEG. DEC	FY JULY TAXES W/OUT 420c	FY DEC TAXES W/OUT 420c	FY TAX SAVINGS
1	2017/18	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	13.668	$0	$0	$190,140	$192,517	$192,517
2	2018/19	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	14.078	$0	$0	$195,844	$198,292	$198,292
3	2019/20	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	14.500	$0	$0	$201,719	$204,241	$204,241
4	2020/21	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	14.935	$0	$0	$207,771	$210,368	$210,368
5	2021/22	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	15.383	$0	$0	$214,004	$216,679	$216,679
6	2022/23	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	15.844	$0	$0	$220,424	$223,180	$223,180
7	2023/24	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	16.320	$0	$0	$227,037	$229,875	$229,875
8	2024/25	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	16.809	$0	$0	$233,848	$236,771	$236,771
9	2025/26	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	17.314	$0	$0	$240,864	$243,874	$243,874
10	2026/27	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	17.833	$0	$0	$248,089	$251,191	$251,191
11	2027/28	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	18.368	$0	$0	$255,532	$258,726	$258,726
12	2028/29	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	18.919	$0	$0	$263,198	$266,488	$266,488
13	2029/30	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	19.487	$0	$0	$271,094	$274,483	$274,483
14	2030/31	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	20.071	$0	$0	$279,227	$282,717	$282,717
15	2031/32	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	20.673	$0	$0	$287,604	$291,199	$291,199
16	2032/33	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	21.294	$0	$0	$296,232	$299,935	$299,935
17	2033/34	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	21.932	$0	$0	$305,119	$308,933	$308,933
18	2034/35	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	22.590	$0	$0	$314,272	$318,201	$318,201
19	2035/36	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	23.268	$0	$0	$323,700	$327,747	$327,747
20	2036/37	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	23.966	$0	$0	$333,411	$337,579	$337,579
21	2037/38	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	24.685	$0	$0	$343,414	$347,706	$347,706
22	2038/39	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	25.426	$0	$0	$353,716	$358,138	$358,138
23	2039/40	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	26.188	$0	$0	$364,328	$368,882	$368,882
24	2040/41	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	26.974	$0	$0	$375,258	$379,948	$379,948
25	2041/42	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	27.783	$0	$0	$386,515	$391,347	$391,347
26	2042/43	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	28.617	$0	$0	$398,111	$403,087	$403,087
27	2043/44	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	29.475	$0	$0	$410,054	$415,180	$415,180
28	2044/45	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	30.360	$0	$0	$422,356	$427,635	$427,635
29	2045/46	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	31.270	$0	$0	$435,026	$440,464	$440,464
30	2041/42	$278,235	$1,112,940	$1,391,175	100%	$1,391,175	$0	32.209	$0	$0	$448,077	$453,678	$453,678

ASSUMPTIONS	
SIZE (GBA)	55,647
Assessment per SF of GBA	$25.00
2015/2016 CLASS 2 TAX RATE	12.883
TAX RATE GROWTH	3.00%

AFFORDABLE HOUSING DEVELOPMENT PRESENT VALUE OF 420c TAX SAVINGS 105 SOUTH 5TH STREET BROOKLYN, NEW YORK					
FISCAL YEAR	NET CASH FLOWS		DISCOUNT FACTOR @ 5.00%		PRESENT VALUE OF CASH FLOWS
ONE	$192,517	X	0.9524	=	$183,349
TWO	$198,292	X	0.9070	=	$179,857
THREE	$204,241	X	0.8638	=	$176,431
FOUR	$210,368	X	0.8227	=	$173,070
FIVE	$216,679	X	0.7835	=	$169,774
SIX	$223,180	X	0.7462	=	$166,540
SEVEN	$229,875	X	0.7107	=	$163,368
EIGHT	$236,771	X	0.6768	=	$160,256
NINE	$243,874	X	0.6446	=	$157,204
TEN	$251,191	X	0.6139	=	$154,209
ELEVEN	$258,726	X	0.5847	=	$151,272
TWELVE	$266,488	X	0.5568	=	$148,391
THIRTEEN	$274,483	X	0.5303	=	$145,564
FOURTEEN	$282,717	X	0.5051	=	$142,791
FIFTEEN	$291,199	X	0.4810	=	$140,072
SIXTEEN	$299,935	X	0.4581	=	$137,404
SEVENTEEN	$308,933	X	0.4363	=	$134,786
EIGHTEEN	$318,201	X	0.4155	=	$132,219
NINETEEN	$327,747	X	0.3957	=	$129,700
TWENTY	$337,579	X	0.3769	=	$127,230
TWENTY ONE	$347,706	X	0.3589	=	$124,807
TWENTY TWO	$358,138	X	0.3418	=	$122,429
TWENTY THREE	$368,882	X	0.3256	=	$120,097
TWENTY FOUR	$379,948	X	0.3101	=	$117,810
TWENTY FIVE	$391,347	X	0.2953	=	$115,566
TWENTY SIX	$403,087	X	0.2812	=	$113,365
TWENTY SEVEN	$415,180	X	0.2678	=	$111,205
TWENTY EIGHT	$427,635	X	0.2551	=	$109,087
TWENTY NINE	$440,464	X	0.2429	=	$107,009
THIRTY	$453,678	X	0.2314	=	$104,971
PRESENT VALUE OF CASH FLOWS					**$4,219,832**
ROUNDED TO					**$4,200,000**

Market Rate Scenario

In this scenario, the subject property **would not** qualify for the longer 420c tax abatement, which is reserved for affordable housing developments. To determine an appropriate assessment for the subject property based on this scenario, we have looked to area comparables. A summary of our findings is detailed in the chart below.

REAL ESTATE TAX COMPARABLES - MARKET RATE SCENARIO								
No.	Property Name & Location	GBA	Year Built	No. of Stories	Total Assessment	Assess/SF	Total Taxes	Taxes/SF
1	84 Broadway	26,631	2013	5	$1,627,650	$61.12	$209,234	$7.86
2	240 Wythe Avenue	68,300	2005	4	$4,119,750	$60.32	$529,594	$7.75
3	367 Wythe Avenue	108,870	2008	13	$6,215,850	$57.09	$799,048	$7.34
4	29 South 10th Street	35,812	2013	7	$2,278,800	$63.63	$292,940	$8.18
5	74 South 4th Street	35,000	2009	7	$2,215,350	$63.30	$284,783	$8.14
STATISTICS								
Low:		26,631	2005	4	$1,627,650	$57.09	$209,234	$7.34
High:		108,870	2013	13	$6,215,850	$63.63	$799,048	$8.18
Average:		54,923	2010	7	$3,291,480	$61.09	$423,120	$7.85

Compiled by Cushmand & Wakefield, Inc.

The comparables develop a range of assessment per square foot of gross building area from a low of $57.09 to a high of $63.63 with an average of $61.09 per square foot. Based upon this information, we believe that upon completion of the development under market rate conditions, the subject property's assessment will be established based upon a unit assessment of $60 per square foot of the residential gross building area. This assumes that the subject property is operated as market rate housing. This unit assessment equates to a total assessment of $3,338,820 based on the above grade residential gross building area, which was previously detailed to be 55,647 square feet. Based upon the current 2015/2016 Class 2 tax rate of $12.883 per $100 of assessed value increasing 3.0 percent per year, real estate taxes would be $8.30 per square foot upon stabilization in fiscal year beginning December 2017.

We further note that the subject property is located in the 421a Geographic Exclusion Area. As such, the property does not qualify for a 421a tax abatement as of right. Therefore, we have not modeled for the subject property to receive a 421a tax abatement in the hypothetical market rate scenarios detailed in this report.

Commercial Component Assessment Upon Completion

Upon completion, the commercial component of the subject property will be assessed. We have analyzed commercial condominiums located within residential buildings to derive an appropriate assessment upon the completion of the building. The current levels of assessments and real estate taxes of commercial condominiums, are summarized in the following chart.

REAL ESTATE TAX COMPARABLES - COMMERCIAL COMPONENT							
No.	Property Name & Location	GBA	Year Built	Total Assessment	Assess/SF	Total Taxes	Taxes/SF
1	77 South 6th Street	2,027	2009	$50,043	$24.69	$5,217	$2.57
2	165 Havemeyer Street	8,321	2008	$413,251	$49.66	$43,086	$5.18
3	117 South 3rd Street	6,593	1995	$349,245	$52.97	$36,412	$5.52
4	120 Division Avenue	992	2011	$50,400	$50.81	$5,255	$5.30
5	257 Grand Street	2,437	2007	$90,090	$36.97	$9,393	$3.85
STATISTICS							
Low:		992	1995	$50,043	$24.69	$5,217	$2.57
High:		8,321	2011	$413,251	$52.97	$43,086	$5.52
Average:		4,074	2006	$190,606	$43.02	$19,873	$4.49

Compiled by Cushmand & Wakefield, Inc.

The commercial condominiums included in the above chart develop a range of assessment per square foot of gross building area from a low of $24.69 to a high of $52.97 with an average of $43.02 per square foot. Discussions with the New York City Tax Assessor – Kings County Office have shown that, upon completion, a new affordable housing apartment building would be expected to develop an assessment within the range exhibited by the comparables. Factors taken into consideration by the Assessor's office include the location and quality of finish of the completed development. Additionally, the income producing potential of a property is important as the most widely used methodology used by assessors in determining an appropriate assessment is the Income Capitalization Approach.

Based upon this information, we believe that upon completion of the subject building, the assessment will be established based upon a unit assessment of $45 per square foot of the commercial component. This conclusion is within the range of the comparables. This unit assessment equates to a total assessment of $221,940 based on the commercial area of 4,932 square feet. Based upon the current 2015/2016 Class 4 tax rate of $10.656 per $100 of assessed value increasing 3.0 percent per year, the unabated real estate taxes would be $5.15 per square foot upon stabilization in fiscal year beginning December 2017.

Industrial and Commercial Abatement Program (ICAP)

The developer has reportedly applied for a 15 year tax abatement via the Industrial & Commercial Abatement Program (ICAP) for the commercial component of the proposed development. The New York City 15 year (ICAP) abatement assumes taxes are payable on the subject land and existing improvements based on current assessments.

The initial ICAP abatement is calculated by taking the difference between the gross real estate taxes for the fiscal year when the ICAP begins (2017/2018) and the gross real estate taxes for the fiscal year when construction began (2015/2016) times 1.15.

As only the commercial component will be receiving the ICAP abatement, we have applied a pro rata share of the benefit base to the subject property.

The abatement amount is 100 percent for the first 11 years of the 15 year abatement program and is then phased in 20 percent per year thereafter through the expiration in Year 15. The non-abated taxes have been used in the cash flow presented later in the Income Capitalization Approach. Based on our projection, and using a discount rate of 5.0 percent, the present value of the ICAP tax abatement is **$200,000**, rounded. The ICAP abatement schedule is exhibited on the following page and the tax savings attributable to the ICAP abatement are exhibited on the next following page.

ICAP TAX ABATEMENT PROJECTION
105 SOUTH 5TH STREET
BROOKLYN, NEW YORK

ABATEMENT PERIOD	TAX YEAR	PAYABLE LAND AV	ACTUAL/EST. BUILDING AV	TOTAL AV	EST. BENEFIT BASE	% EXEMPT	$ EXEMPT	TOTAL PAY AV	TAX RATE	FY TAXES BEG. JULY	FY TAXES BEG. DEC	FY JULY TAXES W/OUT 420c	FY DEC TAXES W/OUT 420c	FY TAX SAVINGS
1	2017/18	$44,388	$177,552	$221,940	$41,624	100%	$180,316	$41,624	11.305	$4,706	$4,764	$25,090	$25,404	$20,639
2	2018/19	$44,388	$177,552	$221,940	$41,624	100%	$180,316	$41,624	11.644	$4,847	$4,907	$25,843	$26,166	$21,259
3	2019/20	$44,388	$177,552	$221,940	$41,624	100%	$180,316	$41,624	11.993	$4,992	$5,055	$26,618	$26,951	$21,896
4	2020/21	$44,388	$177,552	$221,940	$41,624	100%	$180,316	$41,624	12.353	$5,142	$5,206	$27,417	$27,759	$22,553
5	2021/22	$44,388	$177,552	$221,940	$41,624	100%	$180,316	$41,624	12.724	$5,296	$5,362	$28,239	$28,592	$23,230
6	2022/23	$44,388	$177,552	$221,940	$41,624	100%	$180,316	$41,624	13.106	$5,455	$5,523	$29,086	$29,450	$23,927
7	2023/24	$44,388	$177,552	$221,940	$41,624	100%	$180,316	$41,624	13.499	$5,619	$5,689	$29,959	$30,334	$24,645
8	2024/25	$44,388	$177,552	$221,940	$41,624	100%	$180,316	$41,624	13.904	$5,787	$5,860	$30,858	$31,244	$25,384
9	2025/26	$44,388	$177,552	$221,940	$41,624	100%	$180,316	$41,624	14.321	$5,961	$6,035	$31,784	$32,181	$26,145
10	2026/27	$44,388	$177,552	$221,940	$41,624	100%	$180,316	$41,624	14.750	$6,140	$6,216	$32,737	$33,146	$26,930
11	2027/28	$44,388	$177,552	$221,940	$41,624	100%	$180,316	$41,624	15.193	$6,324	$8,754	$33,719	$34,141	$25,386
12	2028/29	$44,388	$177,552	$221,940	$41,624	80%	$144,253	$77,687	15.649	$12,157	$14,731	$34,731	$35,165	$20,434
13	2029/30	$44,388	$177,552	$221,940	$41,624	60%	$108,190	$113,750	16.118	$18,334	$21,058	$35,773	$36,220	$15,162
14	2030/31	$44,388	$177,552	$221,940	$41,624	40%	$72,126	$149,814	16.602	$24,872	$27,752	$36,846	$37,306	$9,554
15	2031/32	$44,388	$177,552	$221,940	$41,624	20%	$36,063	$185,877	17.100	$31,784	$34,828	$37,951	$38,426	$3,597
16	2032/33	$44,388	$177,552	$221,940	$41,624	0%	$0	$221,940	17.613	$39,090	$22,802	$39,090	$22,802	$0

ASSUMPTIONS	
SIZE (GBA)	4,932
Assessment per SF of GBA	$45.00
2015/2016 CLASS 4 TAX RATE	10.656
TAX RATE GROWTH	3.00%

AFFORDABLE HOUSING DEVELOPMENT PRESENT VALUE OF ICAP TAX SAVINGS 105 SOUTH 5TH STREET BROOKLYN, NEW YORK					
FISCAL YEAR	**NET CASH FLOWS**		**DISCOUNT FACTOR @ 5.00%**		**PRESENT VALUE OF CASH FLOWS**
ONE	$20,639	X	0.9524	=	$19,657
TWO	$21,259	X	0.9070	=	$19,282
THREE	$21,896	X	0.8638	=	$18,915
FOUR	$22,553	X	0.8227	=	$18,555
FIVE	$23,230	X	0.7835	=	$18,201
SIX	$23,927	X	0.7462	=	$17,855
SEVEN	$24,645	X	0.7107	=	$17,514
EIGHT	$25,384	X	0.6768	=	$17,181
NINE	$26,145	X	0.6446	=	$16,854
TEN	$26,930	X	0.6139	=	$16,533
ELEVEN	$25,386	X	0.5847	=	$14,843
TWELVE	$20,434	X	0.5568	=	$11,378
THIRTEEN	$15,162	X	0.5303	=	$8,040
FOURTEEN	$9,554	X	0.5051	=	$4,826
FIFTEEN	$3,597	X	0.4810	=	$1,730
PRESENT VALUE OF CASH FLOWS					**$221,363**
ROUNDED TO					**$200,000**

ZONING

GENERAL INFORMATION

The property is zoned M1-2/R6 Special Mixed Use District (MX-8) in the Upland Area of the Greenpoint-Williamsburg Inclusionary Housing District by the City of New York. A summary of the subject's zoning is provided below:

ZONING	
Municipality Governing Zoning:	City of New York
Current Zoning:	M1-2/R6 Special Mixed Use District (MX-8) in the Upland Area of the Greenpoint-Williamsburg Inclusionary Housing District
Is proposed use permitted:	Yes
Permitted Uses and General Regulations:	The Special Mixed Use District (MX) was established in 1997 to encourage investment in, and enhance the vitality of, existing neighborhoods with mixed residential and industrial uses in close proximity and create expanded opportunities for new mixed use communities. New residential and non-residential uses (commercial, community facility and light industrial) can be developed as-of-right and be located side-by-side or within the same building. Pairing an M1 district with an R3 through R10 district (e.g. M1-2/R6) ensures a balanced variety of uses. Residential uses are generally subject to the bulk controls of the governing residence district; commercial, industrial and community facility uses are subject to the M1 district bulk controls, except that community facilities are subject to residential FAR limits. Most light industrial uses are permitted in each MX district as-of-right, others are subject to restrictions and Use Group 18 uses are excluded altogether, except for small breweries.

ZONING REQUIREMENTS		
M1-2		
Maximum Floor Area Ratio (FAR) - Commercial		2.00 times lot area
Maximum Floor Area Ratio (FAR) - Community Facility		4.80 times lot area
R6		
Maximum Floor Area Ratio (FAR) - Wide Street		2.70 times lot area
Maximum Floor Area Ratio (FAR) - Narrow Street		2.20 times lot area
Maximum Floor Area Ratio (FAR) - Community Facility		4.80 times lot area

Compiled by Cushman & Wakefield, Inc.

ZONING COMPLIANCE

Property value is affected by whether or not an existing or proposed improvement complies to zoning regulations, as discussed below.

Conforming Uses

An existing or proposed use that conforms to zoning regulations implies that there is no legal risk and that the existing improvements could be replaced "as-of-right."

Pre-Existing, Non-Conforming Uses

In many areas, existing buildings pre-date the current zoning regulations. When this is the case, it is possible for an existing building that represents a non-conforming use to still be considered a legal use of the property. Whether or not the rights of continued use of the building exist depends on local laws. Local laws will also determine if the existing building may be replicated in the event of loss or damage.

Non-Conforming Uses

A proposed non-conforming use to an existing building might remain legal via variance or special use permit. When appraising a property that has such a non-complying use, it is important to understand the local laws governing this use.

SUBJECT PROPERTY CONFORMANCE

The M1-2/R6 Special Mixed Use District (MX-8) in the Upland Area of the Greenpoint-Williamsburg Inclusionary Housing District zoning district permits a maximum FAR of 2.7 times the lot area within 100 feet of a wide street for residential use, or 2.2 times the lot area for areas located along narrow streets, a maximum FAR of 4.80 times for community facility uses, and a maximum FAR of 2.0 for commercial uses. In the Site Description section of the report, we indicated that the subject site contains 15,942 square feet based on our review of public records.

According to a zoning analysis provided by ownership that was conducted by Dattner Architects dated July 31, 2015, 68.3 percent of the site falls within the 2.7 maximum FAR, while the remainder of the site has a maximum residential FAR of 2.2. Based upon these calculations, the maximum residential floor area as-of-right yields 40,493 square feet of zoning floor area.

According to the analysis, the completed development will contain an above grade gross building area of 68,842 square feet and will utilize 50,907 square feet of zoning floor area. This is above the base residential zoning floor area as the proposed developments takes advantage of an Inclusionary Housing bonus. If built according to the specifications indicated in the zoning analysis, the subject property will be a legal and conforming use upon completion. While the development will utilize 50,907 square feet of zoning floor area, we have analyzed the market value of the land based upon the base residential zoning floor area of 40,493 square feet before bonuses. As will be detailed, all of the comparables have been analyzed based upon their respective base zoning floor area.

OTHER RESTRICTIONS

We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or title company can usually uncover such restrictive covenants. We recommend a title examination to determine if any such restrictions exist.

ZONING CONCLUSIONS

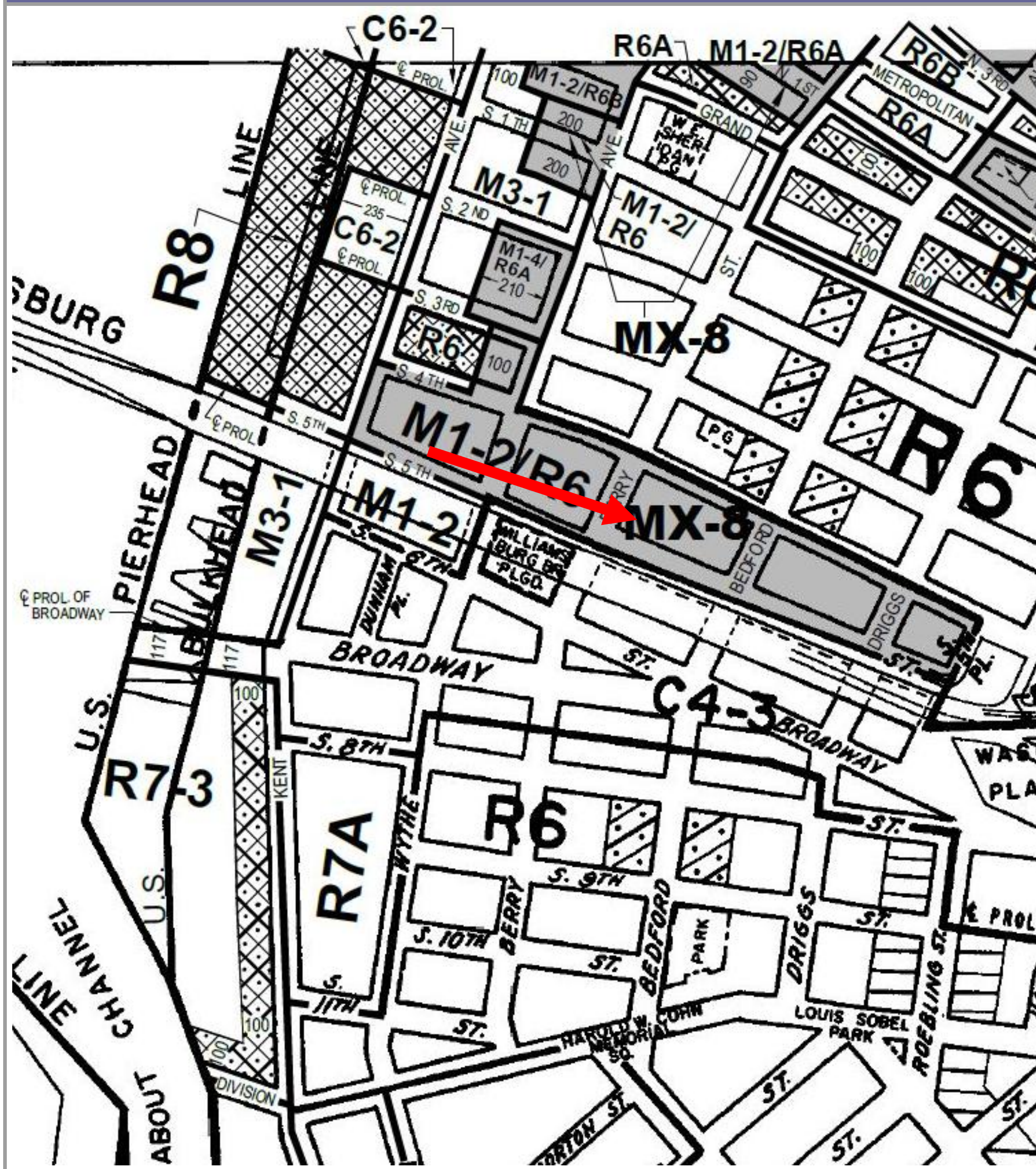
We analyzed the zoning requirements in relation to the subject property, and considered the compliance of the existing or proposed use. We are not experts in the interpretation of complex zoning ordinances but based on our review of public information and the provided zoning analysis, the proposed building will be built within the maximum permitted zoning floor area reported above and will be a legal and conforming use.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our study correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence.

We note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

The following is a detailed zoning map for the subject property.

ZONING MAP


C6-2
R6A
M1-2/R6A
R6B
M1-2/R6B
M3-1
M1-2/R6
R8
C6-2
M1-4/R6A
MX-8
R6
M1-2/R6
M1-2
MX-8
M3-1
C4-3
R7-3
R7A
R6
BROADWAY
PIERHEAD
BULKHEAD
LINE
KENT
WYTHE
BERRY
BEDFORD
DRIGGS
ROEBLING ST.
DIVISION
LOUIS SOBEL PARK

Valuation

HIGHEST AND BEST USE

HIGHEST AND BEST USE DEFINITION

The Dictionary of Real Estate Appraisal, Fifth Edition (2010), a publication of the Appraisal Institute, defines the highest and best use as:

> The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued.

To determine the highest and best use we typically evaluate the subject site under two scenarios: as though vacant land and as presently improved. In both cases, the property's highest and best use must meet the four criteria described above.

HIGHEST AND BEST USE OF PROPERTY AS THOUGH VACANT

Legally Permissible

The zoning regulations in effect at the time of the appraisal determine the legal permissibility of a potential use of the subject site. As described in the Zoning section, the subject site is zoned M1-2/R6 Special Mixed Use District (MX-8) in the Upland Area of the Greenpoint-Williamsburg Inclusionary Housing District by the City of New York. Residential, commercial, and community facility uses are permissible in this zoning district. We are not aware of any further legal restrictions that limit the potential uses of the subject. In addition, rezoning of the site is not likely due to the character of the area.

Physically Possible

The physical possibility of a use is dictated by the size, shape, topography, availability of utilities, and any other physical aspects of the site. The subject site contains 15,942 square feet. The site is irregular in shape and level at street grade. It has good frontage, average access, and good visibility. The overall utility of the site is considered to be average. All public utilities are available to the site including public water and sewer, gas, electric and telephone. Overall, the site is considered adequate to accommodate most permitted development possibilities.

Financially Feasible and Maximally Productive

In order to be seriously considered, a use must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site, and constructing the improvements. Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use.

CONCLUSION

Several features of the subject site indicate that a residential development is the highest and best use of the site. The subject is located within an established neighborhood of Brooklyn. In addition, the subject is located within proximity to public transportation and major employment centers. The rental rates achievable for residential use exceed that of current or projected rents for any other use.

The dramatic changes that occurred since the unraveling of the housing market, the economic recession, and the subsequent financial constraints have altered the real estate market. Pricing decreased and sales volumes declined as potential buyers had difficulty obtaining financing. While stability has returned to the residential market, developers are still faced with a more complex financing environment and are typically forced to place substantially more equity into projects. However, the typical financial constraints do not impact the development of affordable housing complexes to the extent that it affects market rate housing. Most of the value created by the development of affordable housing is contained in the intangible assets, namely the sub-market financing, low-income housing tax credits, and tax abatements that are available to developers. These intangibles help to offset the negative impacts of higher equity requirements. Acquisition costs for affordable housing sites are also much lower than for market rate housing and often times the land is provided by the City for a nominal cost. The creation and preservation of affordable housing is a major goal of the City and agencies are willing to work with developers to create sustainable housing options. In addition, while we note that our analysis later in this report shows that a market rate mixed-use development would maximize the value of the subject site, the subject site is presently owned by the Department of Housing Preservation & Development, which has a mandate to expand affordable housing in the City.

Given these factors coupled with the demand, rent levels and low historical supply for new apartments in conjunction with an aging housing inventory in the immediate area, a residential development use is the highest and best use for any development of the property. The subject site is also located near public transportation. Based on the analysis contained herein and in view of the benefits of the intangible assets, we have concluded that the highest and best use of the subject site, as vacant, is the construction of a mixed-us affordable housing development built to its maximum potential density. However, it should be noted that construction of an affordable housing development is not feasible without financial incentives (tax abatements, submarket financing, low-income housing tax credits, etc.).

HIGHEST AND BEST USE OF PROPERTY AS IMPROVED

The Dictionary of Real Estate Appraisal defines highest and best use of the property as improved as:

> The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

In analyzing the Highest and Best Use of a property as improved, it is recognized that the improvements should continue to be used until it is financially advantageous to alter physical elements of the structure or to demolish it and build a new one.

Legally Permissible

As described in the Zoning Analysis section of this report, the subject site is located in the M1-2/R6 Special Mixed Use District (MX-8) in the Upland Area of the Greenpoint-Williamsburg Inclusionary Housing District. The site is presently improved with a 10,000 square foot warehouse building that is in fair condition. In the Zoning section of this appraisal, we determined that the existing improvements represent a conforming use.

Physically Possible

The improvements on the subject site were constructed in 1938. The building is in fair condition. We know of no current or pending municipal actions or covenants that would require a change to the current improvements. However, the current condition of the building does not maximize the potential of the site.

Financially Feasible and Maximally Productive

In order to be seriously considered, a use must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site, and constructing the improvements. Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use.

CONCLUSION

The existing improvements do not maximize the potential for the subject site. The building is in fair overall condition and the site, as is, is significantly underimproved. In addition, while industrial and manufacturing uses still exist in the Williamsburg area, the neighborhood is a desirable residential area, and the rental rates achievable for residential use exceed that of commercial uses.

Furthermore, the subject site is presently owned by the Department of Housing Preservation & Development, which has a mandate to expand affordable housing in the City of New York. Therefore, it is our opinion that the Highest and Best Use of the subject site as improved is for the demolition of the existing improvements and construction of a mixed-use affordable housing development built as proposed.

VALUATION PROCESS

METHODOLOGY

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. We considered each in this appraisal to develop an opinion of the market value of the subject property. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

We considered each approach in developing our opinion of the market value of the subject property. We discuss each approach below and conclude with a summary of their applicability to the subject property.

Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the Highest and Best Use of the land; or when relatively unique or specialized improvements are located on the site for which there are few improved sales or leases of comparable properties.

In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciating them to reflect any value loss from physical, functional and external causes. Land value, entrepreneurial profit and depreciated improvement costs are then added, resulting in an opinion of value for the subject property.

Sales Comparison Approach

In the Sales Comparison Approach, sales of comparable properties are adjusted for differences to estimate a value for the subject property. A unit of comparison such as price per square foot of building area or effective gross income multiplier is typically used to value the property. When developing an opinion of land value the analysis is based on recent sales of sites of comparable zoning and utility, and the typical units of comparison are price per square foot of land, price per acre, price per unit, or price per square foot of potential building area. In both cases, adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive an opinion of value for the subject property.

Income Capitalization Approach

In the Income Capitalization Approach the income-producing capacity of a property is estimated by using contract rents on existing leases and by estimating market rent from rental activity at competing properties for the vacant space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

Related to the Direct Capitalization Method is the Yield Capitalization Method. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments.

SUMMARY

This appraisal employs the Cost Approach, Sales Comparison Approach, and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary by market participants. We have utilized the Sales Comparison Approach only in the market rate scenario of our analysis. As an affordable housing development, the majority of the subject building's prospective market value is derived from intangible benefits resulting from various sources of submarket financing as well as tax abatements and low-income housing tax credits. There are no sales of physically nor economically similar buildings to which a meaningful comparison can be made as an affordable housing development. As such, the Sales Comparison Approach is not applicable in this scenario. However, we have utilized the Sales Comparison Approach in our analysis of the subject property under the hypothetical condition that it is operated as market rate housing. We have utilized the Income Capitalization Approach to determine the prospective market value of the subject property, as well as the value of the intangible benefits as this most closely resembles the methodology used by market participants.

LAND VALUATION

METHODOLOGY

Using the Sales Comparison Approach, we developed an opinion of value by comparing the subject site to similar, recently sold properties in the surrounding or competing area. This approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The basic steps of this approach are:

- Research recent, relevant property sales and current offerings in the competitive area;
- Select and analyze properties that are similar to the subject property, analyzing changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
- Identify sales that include favorable financing and calculate the cash equivalent price;
- Reduce the sale prices to a common unit of comparison such as price per unit or effective gross income multiplier;
- Make appropriate comparative adjustments to the prices of the comparable properties to relate them to the subject property; and
- Interpret the adjusted sales data and draw a logical value conclusion.

We used the Sales Comparison Approach to develop an opinion of land value based upon its highest and best use as an affordable housing development. In our analysis, we have utilized sales bought for the purpose of developing affordable housing or mixed market developments. Given the economics of affordable housing, we believe that transactions for affordable housing and mixed-market development sites are the most appropriate by which to draw a comparison to the subject property. As such, while the majority of the comparables are located in the Bronx, we believe these to be the most relevant comparables by which to draw comparison to the subject property.

In this method, we analyzed prices buyers have recently paid for similar sites in the market, as well as examined current offerings. In making comparisons, we adjusted the sale prices for differences between this site and the comparable sites. If the comparable was superior to the subject, a downward adjustment was made to the comparable sale. If inferior, an upward adjustment was made. We present on the second following page a summary of pertinent details of sites recently sold that we compared to the subject site.

In the valuation of the subject site's fee simple interest, the Sales Comparison Approach has been used to establish prices being paid for comparably zoned land. The most widely used and market oriented unit of comparison for properties with characteristics similar to those of the subject is the sale price per square foot of zoning floor area (ZFA). All transactions used in this analysis are analyzed on this basis.

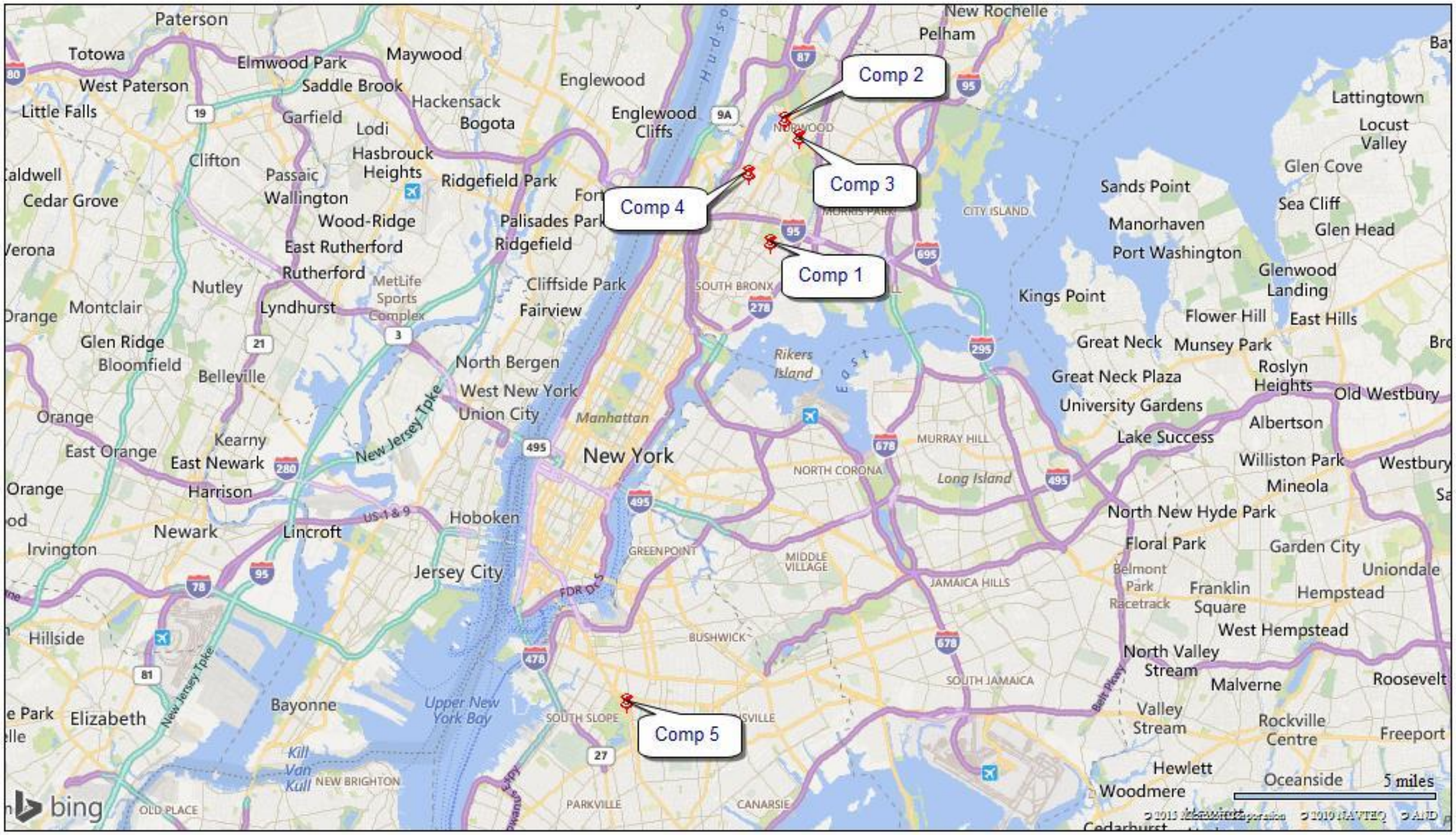
The major elements of comparison used to value the subject site include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its utility and the physical characteristics of the property.

The charts on the following page details the land transactions that we have utilized in our analysis.

SUMMARY OF LAND SALES

PROPERTY INFORMATION							TRANSACTION INFORMATION						
No.	Location	Size (sf)	Size (Acres)	Max FAR	Potential Zoning Floor Area	Zoning	Grantor	Grantee	Property Rights Conveyed	Sale Date	Sale Price	$/SF ZFA	COMMENTS
1	902-906 Jennings Street, Bronx, NY	12,179	0.28	3.44	41,896	R7-1	Jeffrey Krauss	New Destiny Housing Corporation	Fee Simple	6/15	$2,160,000	$51.56	This is the sale of a former retail building and parking lot located on the southern side of the three-way intersection of Jennings Street, Charlotte Street, and Minford Place. The site features 114 feet of frontage along Jennings Street and has visibility from Charlotte Street and Minford Place by virtue of its location at the intersection. While the grantee has not submitted plans for the development of the site, the grantee is a New York City nonprofit founded to provide housing and supportive services for homeless people and families who are the victims of domestic violence. The existing improvements contain a total of 5,474 square feet of gross building area. We have estimated demolition costs at $20 per square foot or $110,000, rounded, which has been added to the acquisition price.
2	150 Van Cortlandt Avenue East Bronx, NY	26,867	0.62	7.20	193,442	R8	JSARC 200 LLC / J & V Properties of NY LLC	Stagg Group	Fee Simple	3/15	$7,145,000	$36.94	This is the sale of a former gasoline station located on the southeast corner of Van Cortlandt Avenue East and St. Georges Crescent. The site features 191 feet of frontage along Van Cortlandt Avenue East and 171 feet of frontage along St. Georges Crescent. The grantee plans to construct 259 residential apartments on the site. Half of the planned residential units will be for low-income residents, which will create LIHTC's for the developer. There will also be 20,000 square feet of parking provided. It was reported that the grantee has received a $7.75 million loan from Titan Capital ID to cover the entire purchase price and a portion of the closing costs. According to the listing for the site, the undergound tanks of the gas station were removed in 1997. Additionally, Phase 1 and Phase II environmental assessments, remediation, and tank disclosure documentation was provided by the grantor. The former gasoline station totaled 2,250 square feet of gross building area. We have estimated demolition costs at $20 per square foot or $45,000, which has been added to the acquisition price.
3	410 East 203rd Street, 414 East 203rd Street, & 3084 Webster Avenue Bronx, NY	22,265	0.51	4.20	93,513	R7D & R7D w/ C2-4 Overlay	East 203 Owners LLC	3084 Webster Avenue LLC c/o Stagg Group	Fee Simple	12/14	$4,369,200	$46.72	This is the sale of three adjacent tax parcels located on the southwest corner of Webster Avenue and East 203rd Street and on the western blockfront of East 203rd Street. The site is bounded by the Metro North Harlem line to the south. Two of the tax lots are located within the R7D zoning district. The remaining tax lot is located within a portion of the R7D zoning district that allows for commercial use (C2-4 overlay). The maximum floor area ratio is 4.20 for both zoning districts. The grantee plans to develop an 80-20 building with 138 units that will stand either 11 or 12 stories tall. Reportedly, Titan Capital ID provided a $2.9 loan to the grantee. At the time of sale, one tax parcel was improved with a 12,210 square foot building. We have estimated demolition costs at $20 per square foot or $244,200, which has been added to the acquisition price.
4	2264-2272 Morris Avenue Bronx, NY	13,824	0.32	6.02	83,220	R8 with a portion of site in C1-4 Overlay	2264 Morris Avenue LLC	2264 Morris Avenue Housing Development Corporation	Fee Simple	11/14	$3,200,000	$38.45	This is the sale of two adjacent tax parcels located on the east side of Morris Avenue between East 182nd and East 183rd Street. The vacant site was purchased for the construction of an affordable housing project although details of the proposed development have not been finalized.
5	141-145 Montgomery Street Brooklyn, NY	6,457	0.15	3.00	19,371	R6A	Neighborhood Partnership Housing Development Fund	Montgomery Housing Development Fund Company, Inc.	Fee Simple	5/14	$572,280	$29.54	This is the sale of two adjacent tax parcels located on Montgomery Street between Franklin and Washington Avenues in Brooklyn. The grantee intends to construct an affordable housing development on the site. The details of the proposed development are not yet available.
	STATISTICS												
Low		6,457	0.15	3.00	19,371					5/14	$572,280	$29.54	
High		26,867	0.62	7.20	193,442					6/15	$7,145,000	$51.56	
Average		16,318	0.37	4.77	86,289					12/14	$3,489,296	$40.64	

MAP OF COMPARABLE LAND SALES



Discussion of Comparable Sales

Comparable Sale No. 1

This comparable is located at 902-906 Jennings Street in the Bronx. The site has 12,179 square feet and is located in an R7-1 zoning district. This is the sale of a former retail building and parking lot located on the southern side of the three-way intersection of Jennings Street, Charlotte Street, and Minford Place. The site features 114 feet of frontage along Jennings Street and has visibility from Charlotte Street and Minford Place by virtue of its location at the intersection. While the grantee has not submitted plans for the development of the site, the grantee is a New York City nonprofit founded to provide housing and supportive services for homeless people and families who are the victims of domestic violence. The existing improvements contain a total of 5,474 square feet of gross building area. We have estimated demolition costs at $20 per square foot or $110,000, rounded, which has been added to the acquisition price. Based on the maximum floor area ratio of 3.44 times the lot size, the site yields a total of 41,896 square feet of zoning floor area. Jeffrey Krauss sold the site to New Destiny Housing Corp in June 2015 for a total consideration of $2,160,000 or $51.56 per square foot of zoning floor area.

Comparable Sale No. 2

This comparable is located at 150 Van Cortlandt Avenue East in the Bronx. The site has 26,867 square feet and is located in an R8 zoning district. This is the sale of a former gasoline station located on the southeast corner of Van Cortlandt Avenue East and St. Georges Crescent. he grantee plans to construct 259 residential apartments on the site. Half of the planned residential units will be for low-income residents, which will create a Low Income Housing Tax Credit for owner. There will also be 20,000 square feet of parking provided. Based on the maximum floor area ratio of 7.20 times the lot size, the site yields a total of 193,442 square feet of zoning floor area. JSARC 200 LLC / J & V Properties of NY LLC sold the site to Stagg Group in March 2015 for a total consideration of $7,145,000 or $36.94 per square foot of zoning floor area.

Comparable Sale No. 3

This comparable is located at 410 East 203rd Street, 414 East 203rd Street, and 3084 Webster Avenue in the Bronx. The site has 22,265 square feet and is located in an R7D zoning district and R7D with C2-4 commercial overlay. This is the sale of three adjacent tax parcels located on the southwest corner of Webster Avenue and East 203rd Street and on the western blockfront of East 203rd Street. The grantee plans to develop an 80-20 building with 138 units that will stand either 11 or 12 stories tall. Based on the maximum floor area ratio of 4.20 times the lot size, the site yields a total of 93,513 square feet of zoning floor area. East 203 Owners LLC sold the site to 3084 Webster Avenue LLC c/o Stagg Group in December 2014 for a total consideration of $4,369,200 or $46.72 per square foot of zoning floor area.

Comparable Sale No. 4

This comparable is located at 2264-2272 Morris Avenue in the Bronx. The site has 13,824 square feet and is located in an R8 zoning district with a portion of the site in C1-4 commercial overlay. This is the sale of two adjacent tax parcels located on the east side of Morris Avenue between East 182nd and East 183rd Street. The vacant site was purchased for the construction of an affordable housing project although details of the proposed development have not been finalized. Based on the maximum floor area ratio of 6.02 times the lot size, the site yields a total of 83,220 square feet of zoning floor area. 2264 Morris Avenue LLC sold the site to 2264 Morris Avenue Housing Development Corporation in November 2014 for a total consideration of $3,200,000 or $38.45 per square foot of zoning floor area.

Comparable Sale No. 5

This comparable is located at 141-145 Montgomery Street in Brooklyn. The site has 6,457 square feet and is located in an R6A zoning district. This is the sale of two adjacent tax parcels located on Montgomery Street between Franklin and Washington Avenues in Brooklyn. The grantee intends to construct an affordable housing development on the site. The details of the proposed development are not yet available. Based on the maximum floor area ratio of 3.00 times the lot size, the site yields a total of 19,371 square feet of zoning floor area. Neighborhood Partnership Housing Development Fund sold the site to Montgomery Housing Development Fund Company, Inc. in May 2014 for a total consideration of $572,280 or $29.54 per square foot of zoning floor area.

LAND SALE ADJUSTMENT GRID

	Economic Adjustments (Cumulative)					Property Characteristic Adjustments (Additive)								
No.	Price PSF ZFA & Date	Property Rights Conveyed	Conditions of Sale	Financing	Market[1] Conditions	PSF ZFA Subtotal	Location	Size (ZFA)	Zoning	Utility[2]	Configuration	Other	Adj. Price PSF ZFA	Overall
1	**$51.56**	Fee Simple	Arm's-Length	None	Inferior	**$52.47**	Inferior	Similar	Inferior	Superior	Similar	Similar	**$60.35**	Inferior
	6/15	0.0%	0.0%	0.0%	1.8%	1.8%	20.0%	0.0%	5.0%	-10.0%	0.0%	0.0%	15.0%	
2	**$36.94**	Fee Simple	Arm's-Length	None	Inferior	**$38.11**	Inferior	Larger	Inferior	Superior	Similar	Similar	**$53.35**	Inferior
	3/15	0.0%	0.0%	0.0%	3.2%	3.2%	20.0%	25.0%	5.0%	-10.0%	0.0%	0.0%	40.0%	
3	**$46.72**	Fee Simple	Arm's-Length	None	Inferior	**$48.73**	Inferior	Larger	Similar	Superior	Similar	Similar	**$60.91**	Inferior
	12/14	0.0%	0.0%	0.0%	4.3%	4.3%	20.0%	10.0%	0.0%	-5.0%	0.0%	0.0%	25.0%	
4	**$38.45**	Fee Simple	Arm's-Length	None	Inferior	**$40.34**	Inferior	Larger	Similar	Similar	Similar	Similar	**$52.45**	Inferior
	11/14	0.0%	0.0%	0.0%	4.9%	4.9%	20.0%	10.0%	0.0%	0.0%	0.0%	0.0%	30.0%	
5	**$29.54**	Fee Simple	Arm's-Length	None	Inferior	**$31.73**	Inferior	Smaller	Inferior	Similar	Similar	Similar	**$33.32**	Inferior
	5/14	0.0%	0.0%	0.0%	7.4%	7.4%	10.0%	-10.0%	5.0%	0.0%	0.0%	0.0%	5.0%	
STATISTICS														
	$29.54	**- Low**										**Low -**	**$33.32**	
	$51.56	**- High**										**High -**	**$60.91**	
	$40.64	**- Average**										**Average -**	**$52.07**	

Compiled by Cushman & Wakefield, Inc.

(1) Market Conditions Adjustment Footnote

See Discussion on Market Conditions
Date of Value (for adjustment calculations): 10/29/15

(2) Utility Footnote

Utility includes access, frontage, and visibility.

Discussion of Adjustments

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the sale price of a property. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. Since we are valuing the fee simple interest as reflected by each of the comparables, an adjustment for property rights is not required.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arm's-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

Market Conditions

Core U.S. markets including New York City, northern Virginia, Washington D.C., Boston, Dallas, and San Francisco have continued to be the focus of investment activity for multifamily assets. Steven Weilbach, the Head of Cushman and Wakefield's Multifamily Brokerage Practice Group indicates that demand remains strong for multifamily assets in core markets particularly New York City. This has been evidenced by the compression in capitalization rates and volume of asset sales in the past 18 months.

Investment grade assets and development sites remain in strong demand by investors/developers. Cushman & Wakefield's New York City Investment Sales team has sold several development sites and apartment buildings in 2012 and 2013 and demand was very strong and prices increased through 2013. This trend continued into the fourth quarter of 2014 and into the third quarter of 2015. However, most development site acquisitions witnessed during this period are located in prime areas of the City. The areas where acquisitions of affordable housing sites are located are not considered to be prime areas. We have used a level of growth appropriate for the subject's location. Beginning in January 2013, we have made a positive adjustment for market conditions at a rate of 5.0 percent per annum.

Location

Location adjustments were intended to reflect differences with regard to the character of the avenue or street, proximity to transportation, desirability with regard to location (reputation of the surrounding buildings), and trends in future growth or decline. The subject site has a good location but offers average access to public transportation with access to three subway lines from a subway station eight blocks east of the subject.

Comparables 1 through 4 are located in the Bronx. These are in significantly inferior locations than the subject property. Comparable 5 is located in Crown Heights in Brooklyn, which is inferior to the subject property's location. As such, all comparables required positive adjustments in this category.

Size (Zoning Floor Area)

The adjustment for size generally reflects the inverse relationship between unit price and lot size. Smaller lots tend to sell for higher unit prices than larger lots, and vice versa. This adjustment is based on the zoning floor area and not the physical site size. This comparison is common given the vertical nature and density of the City.

Positive adjustments are made to sites that yield a larger zoning floor area, and downward adjustments are made to sites that yield a smaller amount of zoning floor area. We have adjusted each comparable accordingly.

Zoning

Many factors of zoning dictate the resultant use, density and design of a development. Density regulations are determined not only by floor area ratios, but by height limitations, mandatory street wall setbacks, rear yard setbacks and requirements for retail continuity or pedestrian access. Wide streets, as well as corner locations, tend to improve utility for developers. The presence of subway stations, while very beneficial for locational attributes, also result in developers needing to be cognizant of subway tunnels that traverse across or along a site, as the protection of tunnels is an added cost of development. The zoning adjustment also considers features, such as setback regulations, height restrictions, open space requirements, lot coverage requirements, and the potential use groups available for a particular site. For example, C1-9 zoning may require 60 percent of the zoning floor area to be massed in the base of the building prior to any setback. It typically results in buildings less than 30 stories in height. Furthermore, zoning regulations dictate the permissible use groups and can limit development options. The zoning features of each of the comparables have been considered in the adjustment process. Comparables 1, 2 and 5 are considered to have slightly inferior zoning characteristics and as such, required minor positive adjustments in this category.

Utility

The adjustment for utility is intended to reflect differences with regard to plots in regard to access, zoning, frontage, and visibility. Mid-block sites and sites within areas with height limitations have inferior utility. The subject is located on a mid-block site. Comparables 1 and 2 are located on corner sites and have superior light and air than the subject site. Utility adjustments consider soil/sub-soil conditions to the extent known. The site has good frontage. Given its overall physical characteristics and zoning, the site is considered adequate to accommodate most permitted development possibilities. Each comparable was adjusted accordingly.

Configuration

An adjustment for configuration was intended to reflect differences with regard to plots, which were more irregular in shape versus plots which were more square or rectangular. It also considers frontage to depth ratios and perimeter areas. Configuration affects the shape of the prospective building's floor plate and is an important factor for developers and investors. Given the size and shape of the of the subject site, it offers a developer a good level of flexibility in design features. The site's size is large enough to accommodate on-site staging areas during construction. The site has good frontage considering its midblock location. Each comparable was adjusted accordingly.

Other

This category accounts for any other adjustments not previously discussed. Examples include soil or slope conditions, restrictive zoning, easements, wetlands or external influences. No other adjustments have been made.

Conclusion Of Site Value

The land value for subject property is based upon the 40,493 square feet of permitted zoning floor area before bonuses as described in the Zoning section of the report. This constitutes the zoning floor area before mechanical bonuses and increases based upon a particular design. Architects typically devise programming schedules, which increase the gross building area somewhat. The comparables have been analyzed based upon the use of a maximum as-of-right zoning floor area before adjustments for a particular design.

We have analyzed land sales in the areas specifically related to affordable housing developments and mixed-market developments. We believe that these are the most relevant sales by which to compare the subject property as they were purchased for similar uses.

After adjustments, the comparable land sales reflect unit prices ranging from $33.32 to $63.34 per square foot and an average of $53.87 per square foot of zoning floor area. After considering all of the available market data, it is our opinion that the appropriate unit value to apply to the subject is $55 per square foot of zoning floor area.

Applying this unit value range to the subject site's zoning floor area indicates the following:

LAND VALUE CONCLUSION	Price PSF ZFA
Indicated Unit Value	$55.00
SF Zoning Floor Area	x 40,493
Indicated Value	$2,227,115
Rounded to nearest $100,000	$2,200,000
$/SF Basis	$54.33
LAND VALUE CONCLUSION	$2,200,000
$/SF Basis	$54.33

Therefore, the Hypothetical Market Value of the site As If Vacant is **$2,200,000**.

However, as of the date of value, a warehouse building containing approximately 10,000 square feet of gross building area is located on the subject site. The building is in fair condition and, according to the developer, will be demolished prior to the development of the proposed improvements. We have estimated demolition costs of $25 per square foot, or $250,000, which we have deducted from the indicated value to determine the as-is value of the subject site. Therefore, we have concluded that the Market Value As-Is of the fee simple interest of the subject site is **$1,950,000**.

COST APPROACH

METHODOLOGY

This approach consists of an analysis of the property's physical value. The principle of substitution, the underlying rationale of this approach, holds that no prudent person will pay more for a property than the price of a site and the cost of constructing, without undue delay, an equally desirable and useful property.

In the Cost Approach, we employed the following steps to reach an estimate of value:

1. estimate land value as if vacant;
2. estimate the improvements' replacement cost new, including indirect costs;
3. estimate the necessary developer's overhead and profit for the type of property being appraised, including profit on the land;
4. add land value, replacement cost new, and profit to calculate the total cost new of the property.
5. estimate accrued depreciation, if any form physical, functional, and/or external causes; and
6. deduct accrued depreciation from the total cost new of the property to estimate its current value by the Cost Approach

We have previously developed an opinion of land value of **$2,200,000**.

COST OF PROPOSED IMPROVEMENTS

In the case of the subject property, development costs new may be calculated two ways: 1) using the actual developer's budget for the construction costs of the project; and 2) calculating the replacement costs new using Marshall Valuation Service information.

We have been provided with the developer's construction budget for the proposed development. The hard cost budget indicates a total cost of $16,493,400 or $272.29 per square foot of above grade gross building area, exclusive of land transaction costs and entrepreneurial profit. Hard costs represent 78.25 percent of total construction costs per the developer's budget. The soft cost budget is $4,583,821 including all financing costs. The soft cost budget equates to $75.67 per square foot. As such, the total budget for the development based on the developer's hard and soft cost budget is $21,077,221 or $347.96 per square foot.

We estimated the development cost new by referencing the Calculator Section in the Marshall Valuation Service cost manual, a nationally recognized publication of the Marshall & Swift Company containing construction costs for all types of improvements. Base costs in the manual are revised monthly and adjustment factors are provided to reflect regional and local cost variations.

BASE BUILDING COSTS

The published costs include all direct costs for the base structure, tenant improvements, and the following indirect costs:

1. Plans, specifications, and building permits, including engineer's and architect's fees;
2. Interest on construction loan during the construction period;
3. Sales tax on materials; and
4. Contractor's overhead and profit, including worker's compensation, fire and liability insurance, unemployment insurance, etc.

These base building costs, adjusted for any unique building characteristics and cost multipliers, are presented in the cost summary chart at the end of this section.

We used total base costs published in Section 11, Page 18 of Marshall Valuation Service, for a good quality Class B apartment building. These costs are estimated at $147.00 per square foot.

We applied the height multiplier of 1.04, current cost multiplier of 1.05, and a local cost multiplier of 1.40, to the base costs. The resultant base costs total $224.73 per square foot. To this amount we added $2.50 per square foot for a wet sprinkler system, which develops unit costs of $227.23 per square foot.

For the commercial component, we used total base costs published in Section 13, Page 26 of Marshall Valuation Service, for a good quality Class B retail store. These costs are estimated at $124.41 per square foot.

We applied the current cost multiplier of 1.04, and a local cost multiplier of 1.40, to the base costs. The resultant base costs total $181.14 per square foot. To this amount we added $3.75 per square foot for a wet sprinkler system, which develops unit costs of $184.89 per square foot.

These base costs were applied to the respective above grade gross square footages for the development. The following chart details the base cost estimates for the development.

Component	Size		Base Cost Amount		Total Cost
Residential	55,303 SF	x	$227.23	=	$12,566,501
Retail Store	5,270 SF	x	$184.89	=	$974,370
Total					$13,540,871

OTHER COSTS

The basic structure costs as reported by Marshall Valuation Service do not include all indirect and/or site improvement costs. Other and indirect costs of construction not contained in the base costs are quantified separately. We referenced the developer's budget for other costs as well as Marshall Valuation Service. As will be shown on the following page, soft costs indicate an average of 25.11 percent of the construction budgets of the comparables. Soft costs range from a low of 20.41 percent to a high of 29.69 percent. The developer's soft cost budget equates to 21.75 percent of the total construction budget, which is within the range of comparables. Given the difficulty of estimating financing costs, particularly for such a large project, we have relied on the developer's estimate of soft costs in our analysis and adjusted for those soft costs included in the typical base cost reported by Marshall Valuation Service. Our adjusted soft cost estimate is $5,000,000.

Therefore, total costs using Marshall Valuation Service and our adjusted soft cost estimate are $18,540,871 or $306.09 per square foot of gross building area, above grade.

The Marshall Valuation Service data was then tempered by our experience with known cost schedules of properties that have characteristics similar to the subject property.

In our analysis of the reasonableness of the construction costs for the proposed project, we gathered construction costs data from other affordable housing developments. These developments are mid-rise and high rise structures and are similar in many ways to the subject.

The identities of these projects are confidential; however, we were able to reveal the general vicinity of the various residential complexes, which have all been constructed since 2013. All of the developments consist of affordable housing projects are located in the outer boroughs of New York City and Suffolk County. A summary of the comparable costs is presented in the chart on the following page.

Construction Cost Comparables								
Date of Value	Location	Gross Land Area	Gross Building Area	Hard Costs	Soft Costs	Soft Costs as % of Total	Total Costs	Stories
Nov-14	Bronx, NY	41,877	245,394	$223.24	$86.73	27.98%	$309.96	15
Nov-14	Livingston Manor, NY	405,108	68,930	$157.92	$40.51	20.41%	$198.43	2
Oct-14	Brooklyn, NY	10,000	52,856	$223.42	$75.68	25.30%	$299.09	13
Sep-14	Suffolk County, NY	1,623,655	106,375	$292.58	$82.28	21.95%	$374.86	2
Sep-14	Brooklyn, NY	14,000	45,508	$282.27	$113.37	28.65%	$395.64	6
Jun-14	Brooklyn, NY	96,898	228,953	$280.30	$118.36	29.69%	$398.66	9
Mar-14	Suffolk County, NY	344,560	51,576	$261.69	$87.22	25.00%	$348.91	2
Nov-13	Bronx, NY	101,271	194,981	$208.47	$73.85	26.16%	$282.32	13
Jun-13	Queens, NY	12,000	59,400	$191.84	$55.50	22.44%	$247.35	8
May-13	Bronx, NY	19,800	90,038	$239.07	$70.74	22.83%	$309.80	8
Apr-13	Brooklyn, NY	19,913	83,661	$184.65	$64.13	25.78%	$248.78	6
			Minimum	$157.92	$40.51	20.41%	$198.43	2
			Maximum	$292.58	$118.36	29.69%	$398.66	15
Source: Cushman & Wakefield			Average	$231.41	$78.94	25.11%	$310.35	7.6

The comparable construction cost information indicates a range in direct (hard) and indirect (soft) costs of $198 to $399 per square foot, rounded. The comparables develop and overall average cost of $310 per square foot, rounded. The range in costs is most impacted by building height, which adds approximately 0.5 percent per floor to total costs. Also, larger buildings require longer construction periods increasing the financing soft costs.

Our estimate for total costs utilizing the Marshall Valuation Service and our adjusted developer's estimate of soft costs is $18,540,871 or $306.09 per square foot of gross building area, above grade, prior to developer's profit. The developer's budget indicates a total project cost of $21,077,221 or $347.96 per square foot of above grade gross building area. Based upon our estimate using Marshall Valuation, the developer's budget, and the comparable construction costs presented, we reconciled and used a total construction cost estimate of $21,000,000, which equates to $346.69 per square foot.

Entrepreneurial Profit

Developer's profit typically ranges from 15 to 20 percent of total project costs, excluding land. In most cases where profit falls below 10 percent, the project is shown to be economically infeasible. There are many regional developers that have the experience and expertise to undertake a project such as the subject. Given the size of the development, we estimated an entrepreneurial profit of 20 percent, applicable to the building costs.

Estimate of Accrued Depreciation

Accrued depreciation is the difference between the cost new of improvements and the current value of those improvements. Depreciation includes value losses in three basic categories: (1) physical deterioration; (2) functional obsolescence; and (3) external obsolescence.

Physical deterioration is the result of aging and normal wear and tear on a structure, which reduce its value. Impairments may be curable or incurable. As a new structure, physical deterioration for the subject will not exist upon completion.

Functional obsolescence is the adverse effect on value resulting from design defects that impair the structure's usefulness. It can be caused by changes over the years that have made some aspect of the structure, material, or design obsolete by current standards. The subject has been designed to the most modern standards and there will be no functional obsolescence upon completion.

External obsolescence is the adverse affect on value resulting from influences outside the property itself. These include changing property or land-use patterns and adverse economic climates. The subject developed is being constructed under the auspices of the City's affordable housing programs. As such, a component of its residential units will be designated for qualified low and moderate income households. These units have stipulated rents that are considered to be below market. Additionally, the rental rates for these units must be maintained at below market levels typically for the duration of the tax abatement and below market financing for the project. In the instance of the subject development, this is a period of 30 years. This is considered to be an economic obsolescence. While some of this economic obsolescence is captured in the lower overall construction costs for affordable housing developments, the long-term nature of the affordability housing requirements are such that an adjustment is still warranted. We have considered a 10 percent adjustment to account for the economic obsolescence impact on the subject's improvements from the affordability requirements.

Based on our observations of apartment buildings similar to the subject property and considering all forms of depreciation and deferred maintenance items, we concluded that the proposed improvements will possess their full economic life. Information published by the Marshall Valuation Service indicates that the typical economic life expectancy of improvements similar to the subject is 50 to 55 years.

The physical depreciation percentage, which is zero, is a weighted average for both short and long-lived components such as the building shell, mechanical systems, interior finishes, and site improvements. Since the subject construction was designed to modern standards, we concluded that the proposed improvements possess their full economic life and therefore, have no accrued depreciation.

COST APPROACH SUMMARY					
Land Value					$2,200,000
Total Replacement Cost					$21,000,000
Subtotal					$23,200,000
Plus Entrepreneurial Profit @	20%	(excluding land value)			$4,200,000
Replacement Cost New Plus Land Value					$27,400,000
Less Physical Depreciation*		$\frac{\text{0 years}}{\text{50 years}}$	=	0%	$0
Less Economic Obsolescence		@		10%	$2,520,000
Total Indicated Value by the Cost Approach					$24,880,000
Rounded To:					$24,900,000

** Depreciation on Total Cost New less Land Value*

Therefore, the prospective market value of the subject property upon completion as determined via the Cost Approach is **$24,900,000**.

SALES COMPARISON APPROACH

METHODOLOGY

Using the Sales Comparison Approach, we developed an opinion of value by comparing the proposed subject property to similar, recently sold properties in the surrounding or competing area. This approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

The Sales Comparison Approach has been used to determine the prospective market value of the subject property only under the market rate scenario.

By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The basic steps of this approach are:

- Research recent, relevant property sales and current offerings in the competitive area;
- Select and analyze properties that are similar to the subject property, analyzing changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
- Identify sales that include favorable financing and calculate the cash equivalent price;
- Reduce the sale prices to a common unit of comparison such as price per unit or effective gross income multiplier;
- Make appropriate comparative adjustments to the prices of the comparable properties to relate them to the subject property; and
- Interpret the adjusted sales data and draw a logical value conclusion.

One of the most widely used and market-oriented units of comparison for properties such as the subject is the sale price per square foot. All the comparable sales were analyzed on this basis. On the second following pages are a summary of the improved, sold properties and that we compared to the subject property.

The comparable buildings are all in excellent condition. Many of the comparables represent modern construction. The comparables range in size from 25 to 234 residential units, built between 1910 and 2014. The comparables have gross building areas from 29,500 to 194,331 square feet. Sales range in price from $369 to $1,034 per square foot and $552,846 and $847,222 per residential unit.

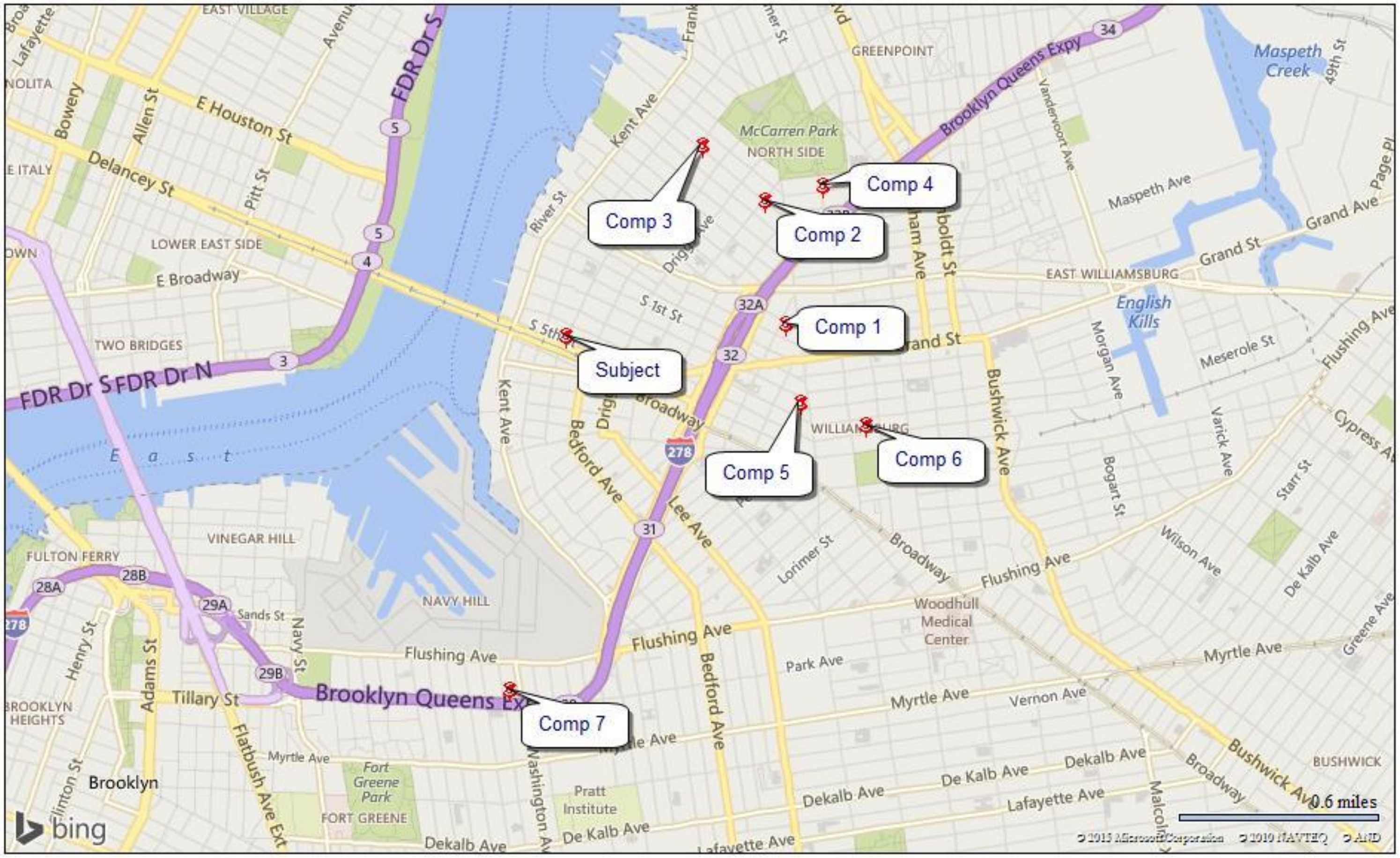
Due to the nature of the subject property and the level of detail available for the comparable data, we elected to analyze the comparables through the application of a traditional adjustment grid using percentage adjustments and an effective gross income multiplier analysis.

The chart on the following page provides a summary of the comparables used in our analysis.

SUMMARY OF IMPROVED SALES

	PROPERTY INFORMATION										TRANSACTION INFORMATION							
No.	Property Name Address, City, State	Land (SF)	Building GBA	Parking	Year Built	No. of Buildings	No. of Stories	No. of Units	Quality	Cond.	Grantor	Grantee	Sale Date	Sale Price	$/Unit	$/Sqft	OAR	Comments
1	385 Union Avenue Brooklyn, NY	15,000	53,023	None	2008	1	6	47	Excellent	Excellent	Madison Realty Capital	Sugar Hill Capital Partners	Jun-15	$37,400,000	$795,745	$705.35	N/A	This is the sale of a 6-story residential building located on the southwest corner of Union Avenue and Ainslie Street. The building features one bedroom and two bedroom apartments as well as 5 penthouses. Amenities at the property include a fitness center, garage parking, rooftop terrace, and resident's lounge. The building was constructed in 2008 and was designed as a condominium. However, due to the downturn the developer was unable to sell the units and went into foreclosure. The grantor in this transaction acquired the property out of foreclosure in 2012. At that time most of the units had been leased at below market rents. Madison Realty renovated the property. The property was not marketed for sale and was delivered vacant. The grantee intends to lease-up the units in the building and operate the property as a rental asset. The property currently benefits from a 25-year 421a tax exemption that at the time of acquisition was in its fourth year. The 25-year abatement is available to developments that include 20 percent of its inventory as affordable housing. We are unaware of the status of any affordable housing component of the property.
2	250 North 10th Street Brooklyn, NY	50,174	194,331	Garage	2014	1	6	234	Excellent	Excellent	250 North 10th Street LLC	Teachers Insurance and Annuity Association of America	Apr-15	$169,000,000	$722,222	$869.65	4.00%	This is the sale of a 6-story residential building located in Williamsburg. The building has residential units ranging from studios to two-bedrooms. Amenities at the property include a 24-hour attended lobby, resident lounge, fitness center, game room, and common terraces and rooftop space. In addition to the residential units, the property has a 117-car parking garage and a small community facility component. The community facility component contains 300 square feet, but is non-revenue generating. The grantee originally entered into a contract with a purchase price of $170 million. During the due diligence period, the purchase price was reduced to $169 million as a result of a credit for the replacement of wet seals around the windows of the building and other facade repairs. The property benefits from a 15-year 421a tax abatement that at the time of acquisition was in its third year.
3	Printhouse Lofts 139 North 10th Street Brooklyn, NY	7,500	29,500	-	1910	1	5	36	Good	Excellent	139 North 10th Property, LLC c/o Greystone Property Development	CLPF-Printhouse Lofts, LLC c/o Clarion Partners	Nov-14	$30,500,000	$847,222	$1,033.90	4.00%	This is the sale of a 5-story residential building known as the Printhouse Lofts located in Williamsburg. The building was originally constructed in 1910 and was converted to residential use in 2013. As part of the conversion, several additional were made to the building. The majority of the units in the building are two bedroom in nature. Given the formal industrial use, ceiling heights are 11 to 12 feet throughout. Amenities in the building include a virtual doorman system, lobby lounge, fitness center, bike storage, rooftop deck, and landscaped rear-yard. The building was fully occupied at the time of sale. The building does not have a commercial component and does not benefit from any abatements.
4	68 Richardson Street Brooklyn, NY	7,082	32,532	-	1920	1	6	25	Good	Excellent	Richlor Apartments LLC	68 Richardson Realty, LLC	Sep-14	$17,500,000	$700,000	$537.93	4.30%	This is the sale of a 6-story residential building located in Williamsburg. The building was originally constructed in 1920 and was converted to residential use in 2004. Given the formal industrial use, ceiling heights are 11 to 12 feet throughout. The building does not have a commercial component and does not benefit from any tax abatements.
5	281 Union Avenue Brooklyn, NY	8,125	30,893	Garage	2014	1	7	33	Excellent	Excellent	281 Union Partners LLC	281 Union BPC Partners LLC	Aug-14	$23,000,000	$696,970	$744.51	4.75%	This is the sale of a recently constructed residential building located in Williamsburg. The building features 33 one, two, and three-bedroom units with the majority of the units one-bedroom in nature. Amenities include a fitness center, shared workspace areas, bike storage, tenant storage, and parking. The building does not contain a commercial component and does not benefit from any tax abatements..
6	80 Meserole Street Brooklyn, NY	17,500	67,600	-	2011	1	4	49	Excellent	Excellent	Cornell Meserole DE LLC	80 Meserole NF LLC	May-14	$35,600,000	$726,531	$526.63	5.25%	The is the sale of a recently constructed residential building located in Williamsburg. The building contains 49 total units. Units have a high level of finish and some units have private outdoor space in the form of balconies. Amenities in the building include a fitness center, virtual doorman services, bike storage, tenant storage, a common rooftop deck, and on-site parking. The building does not contain a commercial component however the development does benefit from a 15-year 421a tax abatement.
7	Chocolate Factory 275 Park Avenue Brooklyn, NY	41,196	184,411	Garage & Surface	1920	-	7	123	Good	Excellent	The Chocolate Factory, LLC	275 Park Associates, LLC c/o HK Organization, LLC	Aug-14	$68,000,000	$552,846	$368.74	3.40%	This is the sale of a 7-story mixed-use building known as the Chocolate Factory. The improvements were constructed in 1920 as five loft-style warehouse buildings, which have been combined and converted to a mixed-use residential building from 2002 to 2003. All of the 123 residential units were rent regulated at the time of sale. The apartments range from 2.0- to 4.5-rooms and average approximately 1,050 square feet. The units have ceiling heights ranging from 9 to 11 feet. The residential component was reportedly 96 percent occupied at the time of sale. The building also contains six commercial suites, three office suites and a 63-car parking garage and 33-car surface parking area. Amenities include a part-time attended lobby, tenant storage, common roof deck, and parking. The property benefits from a J-51 tax abatement which will expire in 2017/2018.
	STATISTICS																	
Low		7,082	29,500		1910	1	4	25					May-14	$17,500,000	$552,846	$368.74	3.40%	
High		50,174	194,331		2014	1	7	234					Jun-15	$169,000,000	$847,222	$1,033.90	5.25%	
Average		20,940	84,613		1971	1	6	78					Nov-14	$54,428,571	$720,219	$683.82	4.28%	

MAP OF COMPARABLE IMPROVED SALES



DISCUSSION OF COMPARABLE SALES

Comparable Sale No. 1

Comparable No. 1 is located at 385 Union Avenue in Brooklyn, NY. In June 2015, the leased fee interest in the property was purchased by Sugar Hill Capital Partners for a total consideration of $37,400,000 ($705.35 per square foot/$795,745 per apartment.) This is the sale of a 6-story residential building located on the southwest corner of Union Avenue and Ainslie Street. The building features one bedroom and two bedroom apartments as well as 5 penthouses. Amenities at the property include a fitness center, garage parking, rooftop terrace, and resident's lounge. The building was constructed in 2008 and was designed as a condominium. However, due to the downturn the developer was unable to sell the units and went into foreclosure. The grantor in this transaction acquired the property out of foreclosure in 2012. At that time most of the units had been leased at below market rents. Madison Realty renovated the property. The property was not marketed for sale and was delivered vacant. The grantee intends to lease-up the units in the building and operate the property as a rental asset. The property currently benefits from a 25-year 421a tax exemption that at the time of acquisition was in its fourth year. The 25-year abatement is available to developments that include 20 percent of its inventory as affordable housing. We are unaware of the status of any affordable housing component of the property.

Comparable Sale No. 2

Comparable No. 2 is located at 250 North 10th Street in Brooklyn, NY. In April 2015, the leased fee interest in the property was purchased by Teachers Insurance Annuity Association of America for a total consideration of $169,000,000 ($869.65 per square foot/$722,222 per apartment.) This is the sale of a 6-story residential building located in Williamsburg. The building has residential units ranging from studios to two-bedrooms. Amenities at the property include a 24-hour attended lobby, resident lounge, fitness center, game room, and common terraces and rooftop space. In addition to the residential units, the property has a 117-car parking garage and a small community facility component. The community facility component contains 300 square feet, but is non-revenue generating. The grantee originally entered into a contract with a purchase price of $170 million. During the due diligence period, the purchase price was reduced to $169 million as a result of a credit for the replacement of wet seals around the windows of the building and other facade repairs. The property benefits from a 15-year 421a tax abatement that at the time of acquisition was in its third year. The overall reported capitalization rate was 4.00 percent.

Comparable Sale No. 3

Comparable Sale 3 is located at 139 North 10th Street in Brooklyn, NY. In November 2014, the leased fee interest in the property was purchased by CLPF-Printhouse Lofts, LLC c/o Clarion Partners for a total consideration of $30,500,0000 (1,033.90 per square foot/$847,222 per apartment). This is the sale of a 5-story residential building known as the Printhouse Lofts located in Williamsburg. The building was originally constructed in 1910 and was converted to residential use in 2013. As part of the conversion, several additional were made to the building. The majority of the units in the building are two bedroom in nature. Given the formal industrial use, ceiling heights are 11 to 12 feet throughout. Amenities in the building include a virtual doorman system, lobby lounge, fitness center, bike storage, rooftop deck, and landscaped rear-yard. The building was fully occupied at the time of sale. The building does not have a commercial component and does not benefit from any abatements. The overall reported capitalization rate was 4.00 percent.

Comparable Sale No. 4

Comparable Sale 4 is located at 68 Richardson Street in Brooklyn, NY. In September 2014, the leased fee interest in this property was purchased by 68 Richardson Realty, LLC for a total consideration of $17,500,000. (537.95 per square foot/$700,000 per apartment) This is the sale of a 6-story residential building located in Williamsburg. The building was originally constructed in 1920 and was converted to residential use in 2004.

Given the formal industrial use, ceiling heights are 11 to 12 feet throughout. The building does not have a commercial component and does not benefit from any tax abatements. The overall rate at the time of sale was 4.30 percent.

Comparable Sale No. 5

Comparable Sale 5 is located at 281 Union Avenue in Brooklyn, NY. This is the sale of a recently constructed residential building located in Williamsburg. The building features 33 one, two, and three-bedroom units with the majority of the units one-bedroom in nature. Amenities include a fitness center, shared workspace areas, bike storage, tenant storage, and parking. The building does not contain a commercial component and does not benefit from any tax abatements. In August 2014, the leased fee interest in this property sold from 281 Union Partners LLC to 281 Union BPC Partners LLC for $23,000,000 ($744.51 per square foot/$696,970 per unit). The overall rate at the time of sale was 4.75 percent.

Comparable Sale No. 6

Comparable Sale 6 is located at 80 Meserole Street in Brooklyn, NY. This is the sale of a recently constructed residential building located in Williamsburg. The building contains 49 total units. Units have a high level of finish and some units have private outdoor space in the form of balconies. Amenities in the building include a fitness center, virtual doorman services, bike storage, tenant storage, a common rooftop deck, and on-site parking. The building does not contain a commercial component however the development does benefit from a 15-year 421a tax abatement.

In May 2014, the leased fee interest in this property sold from Cornell Meserole DE, LLC to 80 Meserole NF LLC for $35,600,000 ($526.63 per square foot/$726,531 per unit). The overall rate at the time of sale was 5.25 percent.

Comparable Sale No. 7

Comparable Sale 7 is located at 275 Park Avenue in Brooklyn, NY. This is the sale of a 7-story mixed-use building known as the Chocolate Factory. The improvements were constructed in 1920 as five loft-style warehouse buildings, which have been combined and converted to a mixed-use residential building from 2002 to 2003. All of the 123 residential units were rent regulated at the time of sale. The apartments range from 2.0- to 4.5-rooms and average approximately 1,050 square feet. The units have ceiling heights ranging from 9 to 11 feet. The residential component was reportedly 96 percent occupied at the time of sale. The building also contains six commercial suites, three office suites and a 63-car parking garage and 33-car surface parking area. Amenities include a part-time attended lobby, tenant storage, common roof deck, and parking. The property benefits from a J-51 tax abatement which will expire in 2017/2018.

In August 2014, the leased fee interest in this property sold from The Chocolate Factory, LLC to 275 Park Associates, LLC c/o HK Organization, LLC for $68,000,000 ($368.74 per square foot/$552,846 per unit). The overall rate at the time of sale was 3.40 percent.

PERCENTAGE ADJUSTMENT METHOD

Adjustment Process

The sales that we used were the best available comparables to the subject property. The major points of comparison for this type of analysis include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

The first adjustment made to the market data takes into account differences between the subject property and the comparable property sales with regard to the legal interest transferred. Advantageous financing terms or atypical conditions of sale are then adjusted to reflect a normal market transaction. Next, changes in market conditions must be accounted for, thereby creating a time adjusted price. Lastly, adjustments for location, physical traits and the economic characteristics of the market data are made in order to generate the final adjusted unit rate for the subject property.

We made a downward adjustment to those comparables considered superior to the subject and an upward adjustment to those comparables considered inferior. Where expenditures upon sale exist, we included them in the sales price.

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the price that is paid. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. We are valuing the leased fee interest in the subject property. As all of the transactions involve the transfer of the leased fee interest, no adjustments are necessary.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arm's-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

Market Conditions

Details of our conclusions for a market conditions adjustment was detailed in the Land Value section of the report. However, pricing in the apartment market has witnessed higher growth over the past several years as compared to the pricing of land for affordable housing developments. As such, we have used a higher adjustment for market conditions. Specifically, beginning in January 2013, we have made a positive adjustment for market conditions at a rate of 15.0 percent per annum.

Location

An adjustment for location is required when the locational characteristics of a comparable property are different from those of the subject property. The subject site has a good location and offers average access to public transportation. The site has good frontage and will have average visibility given its location. Each comparable was adjusted accordingly. We have made a downward adjustment to those comparables considered superior in location versus the subject. Conversely, an upward adjustment was made to those comparables considered inferior.

Size

The size adjustment generally reflects the inverse relationship between unit price and the size of a building. Smaller buildings tend to sell for higher unit prices than larger buildings, and vice versa. The comparable sales were adjusted according to their respective gross building areas.

Physical Traits

Upon completion, the subject property will be in excellent overall condition, representing new construction with modern efficiencies. However, the units within the subject property will be finished at a level typical of affordable housing, while the majority of the comparables contain a condominium level of finish. We have positively adjusted each of these comparables to account for their inferior physical traits.

Utility

The utility adjustment is determined by characteristics of the property that make it more appealing based on ceiling and window heights, apartment layouts, finishes, physical and service amenities, views, etc.

The subject property's rentable units will have an average unit size of 690 square feet. We have taken into consideration the unit sizes at the comparables and made the appropriate adjustments.

We have also considered the level of physical and service amenities in our utility adjustment. The subject building will contain a bicycle storage room and some outdoor recreation areas. However, many of the comparables contain a full amenity package that is significantly superior to the subject property.

We have also considered building height in our utility adjustment. Residential apartments on the upper floors of taller buildings have superior access to light and air and view corridors, as well as less exposure to street noise. These units tend to generate premiums in terms of rental rates and pricing over units located on the lower floors of buildings. The subject property will be 11 stories in height. The views for units on the upper floors are anticipated to be above average, with views of Williamsburg Bridge and views of the Brooklyn cityscape.

The subject will be an elevatored structure. All of the comparable buildings are elevatored and do not require adjustments.

We have considered all of these factors in our adjustment process and each comparable was adjusted accordingly.

Economic Characteristics

This adjustment is used to reflect differences in occupancy levels, rents per square foot, operating expense ratios, tenant quality, and other items not covered under prior adjustments that would have an economic impact on the transaction. Each comparable was adjusted accordingly.

In this scenario, the subject property contains all market rate units that would not be subject to rent regulation. This is typical in the surrounding area. The comparables are predominantly occupied by market rate tenants..

However, the rents achieved by the comparables are anticipated to be superior to the subject property due to the anticipated inferior level of finish, limited amenity package, and the locational characteristics of the subject property as compared to the comparable properties. We have considered the net operating income generated by each of the assets and made appropriate adjustments.

Other

This category accounts for any other adjustments not previously discussed. Based on our analysis of these sales, none required any additional adjustment. The chart on the following page details the results of our adjustment process.

The chart on the following page details the results of our adjustment process.

IMPROVED SALE ADJUSTMENT GRID

		ECONOMIC ADJUSTMENTS (CUMULATIVE)					PROPERTY CHARACTERISTIC ADJUSTMENTS (ADDITIVE)							
No.	$/Sqft & Date	Property Rights Conveyed	Conditions of Sale	Financing	Market [1] Conditions	Per Sqft Subtotal	Location	Size	Age, Quality & Condition	Utility	Economics	Other	Adj. $/Sqft	Overall
1	**$705.35**	Leased Fee	Arm's-Length	None	Inferior	**$740.50**	Similar	Smaller	Superior	Superior	Superior	Superior	**$407.28**	Superior
	6/15	0.0%	0.0%	0.0%	5.0%	5.0%	0.0%	-5.0%	-15.0%	-10.0%	-5.0%	-10.0%	-45.0%	
2	**$869.65**	Leased Fee	Arm's-Length	None	Inferior	**$942.83**	Superior	Larger	Superior	Superior	Superior	Superior	**$612.84**	Superior
	4/15	0.0%	0.0%	0.0%	8.4%	8.4%	-10.0%	20.0%	-15.0%	-15.0%	-5.0%	-10.0%	-35.0%	
3	**$1,033.90**	Leased Fee	Arm's-Length	None	Inferior	**$1,185.35**	Superior	Smaller	Superior	Superior	Superior	Similar	**$592.67**	Superior
	11/14	0.0%	0.0%	0.0%	14.6%	14.6%	-10.0%	-10.0%	-15.0%	-10.0%	-5.0%	0.0%	-50.0%	
4	**$537.93**	Leased Fee	Arm's-Length	None	Inferior	**$628.17**	Superior	Smaller	Superior	Superior	Superior	Similar	**$345.49**	Superior
	9/14	0.0%	0.0%	0.0%	16.8%	16.8%	-10.0%	-10.0%	-10.0%	-10.0%	-5.0%	0.0%	-45.0%	
5	**$744.51**	Leased Fee	Arm's-Length	None	Inferior	**$883.83**	Similar	Smaller	Superior	Superior	Superior	Similar	**$574.49**	Superior
	8/14	0.0%	0.0%	0.0%	18.7%	18.7%	0.0%	-10.0%	-10.0%	-10.0%	-5.0%	0.0%	-35.0%	
6	**$526.63**	Leased Fee	Arm's-Length	None	Inferior	**$647.59**	Similar	Similar	Superior	Superior	Superior	Superior	**$420.94**	Superior
	5/14	0.0%	0.0%	0.0%	23.0%	23.0%	0.0%	0.0%	-10.0%	-10.0%	-5.0%	-10.0%	-35.0%	
7	**$368.74**	Leased Fee	Arm's-Length	None	Inferior	**$436.91**	Inferior	Larger	Inferior	Superior	Similar	Superior	**$524.29**	Inferior
	8/14	0.0%	0.0%	0.0%	18.5%	18.5%	10.0%	20.0%	10.0%	-15.0%	0.0%	-5.0%	20.0%	
STATISTICS														
	$368.74	**- Low**										**Low -**	$345.49	
	$1,033.90	**- High**										**High -**	$612.84	
	$683.82	**- Average**										**Average -**	$496.86	

[1] **Market Conditions Adjustment**

See Variable Growth Rate Assumptions Table

Date of Value (for adjustment calculations) 10/29/15

SUMMARY OF PERCENTAGE ADJUSTMENT METHOD

We used the Sales Comparison Approach to determine the value per apartment of the subject property. After adjustments the comparable improved sales reflect prices ranging from $345.49 to $612.84 per square foot with an average adjusted price of $496.86 per square foot. After considering all of the available market data including the sales exhibited in conjunction with the characteristics of the property, it is our opinion that the appropriate range of unit values to apply to the subject property is between $450 and $500 per square foot.

Applying this range to the subject gross building area indicates the following:

PERCENT ADJUSTMENT METHOD SUMMARY		
Indicated Value per Unit	$450	$500
Gross Building Area (SF)	x 60,573	x 60,573
Indicated Value	$27,257,850	$30,286,500
Rounded to nearest $100,000	**$27,300,000**	**$30,300,000**
Per Unit	$451	$500

We have reconciled the above range to $29,000,000. As detailed in the Real Estate Tax section of this report, the commercial component of the proposed development will benefit from an ICAP tax abatement. The present value of the tax savings from this abatement is estimated to be $200,000.

Therefore, the prospective market value of the subject property upon stabilization, based on the percentage adjustment method is **$29,200,000**, which is inclusive of the ICAP tax abatement.

PROSPECTIVE MARKET VALUE UPON STABILIZATION

The prospective market value of the leased fee interest of the subject property based on the Sales Comparison Approach is **$29,200,000**, rounded.

PROSPECTIVE MARKET VALUE UPON COMPLETION

Later in the Income Capitalization Approach the lease-up and carrying costs associated with reaching stabilized operations are detailed. These costs total $850,000. Deducting these costs, results in a prospective market value upon completion of **$28,450,000**, rounded.

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is a method of converting the anticipated economic benefits of owning property into a value through the capitalization process. The principle of "anticipation" underlies this approach in that investors recognize the relationship between an asset's income and its value. In order to value the anticipated economic benefits of a particular property, potential income and expenses must be projected, and the most appropriate capitalization method must be selected.

The two most common methods of converting net income into value are Direct Capitalization and Discounted Cash Flow. In direct capitalization, net operating income is divided by an overall capitalization rate to indicate an opinion of market value. In the discounted cash flow method, anticipated future cash flows and a reversionary value are discounted to an opinion of net present value at a chosen yield rate (internal rate of return). Investors acquiring this type of asset will typically look at year one returns, but must also consider long-term strategies. Hence, depending on certain factors, both the direct capitalization and discounted cash flow techniques have merit.

OVERVIEW

The subject property consists of a development site with frontage on both Berry Street between South 4th and South 5th Streets, and on the north side of South 5th Street between Berry Street and Bedford Avenue. The irregularly shaped parcel contains 15,942 square feet and is currently improved with a vacant 10,000 square foot warehouse building that is in fair condition. The developer intends to demolish the existing improvements and construct an affordable housing development with retail and community facility components on the site. Upon completion, the proposed development will have an above grade gross building area of 60,573 square feet.

Upon completion, the development will contain a total of 55 residential apartments, of which 54 will be rentable as one unit will be occupied by an on-site superintendent. The rentable units will have a total net rentable area of 62,887 square feet.

The following chart provides a detailed breakdown of the units at the property, exclusive of the superintendent's unit.

UNIT MIX			
Unit Type	**No. of Units**	**Avg Size (SF)**	**Total SF**
Studio	12	458	5,490
One-Bedroom	14	629	8,800
Two-Bedroom	27	809	21,840
Three-Bedroom	1	1,110	1,110
Total	**54**	**690**	**37,240**

In addition to the residential units, the development will contain amenities including bike storage, a recreation room, on-site laundry, and outdoor recreation space. The development will also feature 14 surface parking spaces that will be leased to residents.

The developer indicates that completion is estimated within 20 months. The typical construction period for affordable housing developments in the City is 18 to 24 months. Given the size and nature of the development, we believe a 20 month period is reasonable. As such, we have modeled for completion as of July 1, 2017.

We have utilized the direct capitalization methodology in our analysis of the subject property both under an affordable housing scenario, as well as a market rate scenario. The affordable housing scenario is presented first.

AFFORDABLE HOUSING SCENARIO

POTENTIAL GROSS INCOME – RESIDENTIAL

Generally, New York residential tenants pay a fixed gross rent on a monthly basis. Operating expenses and real estate taxes, and gas expenses are the responsibility of the landlord. Residential tenants are also responsible for directly metered electric costs and additional charges for various services the building provides.

The developer has provided us with the rental rates for each of the unit types, which are presented in the chart below. The developer has not provided the appraisers with a complete copy of the regulatory agreement for the proposed development.

Projected Residential Income					
Unit Type	Program	Percent AMI	No. of Units	Average Monthly Rent	Annual Rent
Studio	LIHTC	57%	9	$822	$88,776
One-Bedroom	LIHTC	57%	10	$882	$105,840
Two-Bedroom	LIHTC	57%	19	$1,065	$242,820
Subtotal			38	$959	$437,436
Studio	Homeless TANF Allowance	30%	3	$215	$7,740
One-Bedroom	Homeless TANF Allowance	30%	4	$283	$13,584
Two-Bedroom	Homeless TANF Allowance	30%	8	$425	$40,800
Three-Bedroom	Homeless TANF Allowance	30%	1	$512	$6,144
Subtotal			16	$356	$68,268
Super			1	---	---
Average Rent Per Month					$780.41
Average Rent Per Square Foot					$13.58
Total No. of Units					55
No. of Rentable Units					54
Total Residential Income					$505,704

The rental rates, as detailed in the chart above, result in an average rent of $780.41 per month and $13.58 per square foot. It is important to note that the developer has provided the rental rates detailed above. The rental rates detailed above exclude the appropriate utility allowances for each unit type.

INCOME QUALIFICATIONS AND HUD FAIR MARKET RENTS

The following chart details the income qualifications as set by the Department of Housing and Urban Development (HUD) for 2015. These income limits and the subsequent rental rates are established by HUD each May and become effective in January of the following year. The New York City Department of Housing Preservation and Development uses the HUD income qualifications as a base and establishes its own limits for the City.

As detailed the income limits are established based on a combination of the number of people in the household and a percentage of area median income. The chart below details the various percent area median income limits for the New York metropolitan area. It should be noted that the income limits in many parts of the country are based on county. However, in New York City, there are no county differences. The 40, 50, and 60 percent area median income limitations are classified as low income thresholds while the 80 percent area median income limit is classified as a moderate income threshold. Median income thresholds above 80 percent are considered to be above moderate income levels. Median income thresholds below 40 percent are considered to be at the very low income level.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT & NEW YORK CITY DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT INCOME QUALIFICATIONS (BASED ON NO. IN HOUSEHOLD) NYC METRO AREA								
	1-Person	2-Person	3-Person	4-Person	5-Person	6-Person	7-Person	8-Person
125% AMI Limit	$75,625	$86,375	$97,125	$107,875	$116,625	$125,250	$133,875	$142,500
110% AMI Limit	$66,550	$76,010	$85,470	$94,930	$102,630	$110,220	$117,810	$125,400
100% AMI Limit	$60,500	$69,100	$77,700	$86,300	$93,300	$100,200	$107,100	$114,000
90% AMI Limit	$54,450	$62,190	$69,930	$77,670	$83,970	$90,180	$96,390	$102,600
80% AMI Limit	$48,400	$55,280	$62,160	$69,040	$74,640	$80,160	$85,680	$91,200
60% AMI Limit	$36,300	$41,460	$46,620	$51,780	$55,980	$60,120	$64,260	$68,400
50% AMI Limit	$30,250	$34,550	$38,850	$43,150	$46,650	$50,100	$53,550	$57,000
30% AMI Limit	$18,150	$20,730	$23,310	$25,890	$27,990	$30,060	$32,130	$34,200

Based on the income limits established by HUD for the various categories of area median income, the New York City Department of Housing Preservation and Development (HPD) establishes rental rates for each unit type. These rental rates are established in May and become effective in December of that year. The following chart details the most recent rental rates for each unit type, which were effective as of March 2015. It is important to note that the rental rates are the same for all areas of the City. The rental rates presented below includes a gas allowance, as the proposed building will have submetered electric.

NEW YORK METROPOLITAN AREA RENTAL RATES BASED ON AREA MEDIAN INCOME LIMITS FOR 2015 - DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT								
		30% of Median	40% of Median	57% of Median	60% of Median	80% of Median	90% of Median	100% of Median
Bedrooms	Persons	Maximum Rent	Maximum Rent	Maximum Rent	Maximum Rent	Maximum Rent	Maximum Rent	Maximum Rent
0 Bedroom	1.0	$414	$565	$822	$867	$1,169	$1,321	$1,472
1 Bedroom	1.5	$445	$607	$882	$931	$1,255	$1,417	$1,579
2 Bedroom	3.0	$541	$735	$1,065	$1,123	$1,511	$1,706	$1,900
3 Bedroom	4.5	$619	$843	$1,225	$1,292	$1,741	$1,966	$2,190
4 Bedroom	6.0	$696	$946	$1,372	$1,447	$1,948	$2,199	$2,449
5 Bedroom	7.5	$761	$1,037	$1,507	$1,590	$2,143	$2,419	$2,695

Additionally, each year HUD establishes a fair market rent for each metro area. This is used to determine the amounts of subsidy (if applicable) to be paid by HUD and detailed in each tenant's rental contract for certain types of affordable housing units. The chart below details the 2015 fair market rental rates for the New York Metro area. Again, no distinction is made by HUD for the counties in New York City.

DEPARTMENT OF HOUSING AND URBAN RENEWAL FAIR MARKET RENTS NYC METRO AREA					
	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Rent/Month	$1,196	$1,249	$1,481	$1,904	$2,174

The fair market rents detailed in the chart above are indicative of a market level of rent according to HUD. The program rents for the low-income housing tax credit units, as provided to the appraisers, are within the range of rental rates established by HPD and HUD.

Affordable Housing Rental Rates

We have also looked to affordable housing comparables with which we are familiar. The charts below and on the following page details these comparables. We have presented comparables with rents in the 40 to 80 percent area median income range as this is most applicable to the subject property.

AFFORDABLE HOUSING RENTAL COMPARABLES	30% AMI			57% AMI				60% AMI			
	Per Month	Per Year	Per SF	Unit Size	Per Month	Per Year	Per SF	Unit Size	Per Month	Per Year	Per SF
Comparable 1 - Brooklyn											
Studio											
One-Bedroom								593	$882	$10,584	$17.85
Two-Bedroom								802	$1,065	$12,780	$15.94
Three-Bedroom								1,002	$1,224	$14,688	$14.66
Comparable 2 - Bronx											
Studio				492	$822	$9,864	$20.05				
One-Bedroom				581	$822	$9,864	$16.98				
Two-Bedroom				880	$1,065	$12,780	$14.52				
Three-Bedroom				1,083	$1,224	$14,688	$13.56				
Comparable 3 - Queens											
Studio								534	$803	$9,636	$18.04
One-Bedroom								651	$863	$10,356	$15.91
Two-Bedroom								849	$1,046	$12,552	$14.78
Three-Bedroom								1,067	$1,205	$14,460	$13.55
Comparable 4 - Brooklyn											
Studio								453	$791	$9,492	$20.95
One-Bedroom								604	$849	$10,188	$16.87
Two-Bedroom								782	$1,027	$12,324	$15.76
Three-Bedroom								1,044	$1,179	$14,148	$13.55
Comparable 5 - Queens											
Studio				531	$804	$9,648	$18.17				
One-Bedroom				624	$863	$10,356	$16.60				
Two-Bedroom				876	$1,047	$12,564	$14.34				
Three-Bedroom				1,076	$1,206	$14,472	$13.45				
Comparable 6 - Queens											
Studio				452	$788	$9,456	$20.92				
One-Bedroom				615	$847	$10,164	$16.53				
Two-Bedroom				904	$1,025	$12,300	$13.61				
Three-Bedroom				1,153	$1,182	$14,184	$12.30				
Comparable 7 - Brooklyn											
Studio								474	$950	$11,400	$24.05
One-Bedroom								570	$950	$11,400	$20.00
Two-Bedroom								738	$1,025	$12,300	$16.67
Three-Bedroom											
Comparable 8 - Brooklyn											
Studio								500	$831	$9,972	$19.94
One-Bedroom								700	$893	$10,716	$15.31
Comparable 9 - Brooklyn											
Studio								416	$561	$6,732	$16.18
Two-Bedroom	$552	$6,624	$8.75					757	$1,122	$13,464	$17.79
Comparable 10 - Manhattan											
One-Bedroom	$811	$9,732	$13.59					716	$811	$9,732	$13.59
Two-Bedroom	$977	$11,724	$14.01					837	$977	$11,724	$14.01
Three-Bedroom	$1,129	$13,548	$13.85					978	$1,129	$13,548	$13.85
Comparable 11 - Brooklyn											
Studio	$356	$4,272	$9.43					453	$732	$8,784	$19.39
One-Bedroom	$380	$4,560	$7.89					578	$782	$9,384	$16.24
Two-Bedroom	$460	$5,520	$7.24					762	$943	$11,316	$14.85
Three-Bedroom								1057	$1,089	$13,068	$12.36
Comparable 12 - Bronx											
Studio	$328	$3,936	$7.75					508	$732	$8,784	$17.29
One-Bedroom	$350	$4,200	$6.50					646	$782	$9,384	$14.53
Two-Bedroom	$424	$5,088	$4.92					1034	$943	$11,316	$10.94
Minimum	**$328**	**$3,936**	**$4.92**	**452**	**$788**	**$9,456**	**$12.30**	**416**	**$561**	**$6,732**	**$10.94**
Maximum	**$1,129**	**$13,548**	**$14.01**	**1,153**	**$1,224**	**$14,688**	**$20.92**	**1,067**	**$1,224**	**$14,688**	**$24.05**
Average	**$577**	**$6,920**	**$9.39**	**772**	**$975**	**$11,695**	**$15.92**	**718**	**$935**	**$11,223**	**$16.24**

The comparables exhibited in the chart above represent properties that were previously appraised by Cushman & Wakefield. While we cannot divulge the exact identities of these comparables due to confidentiality reasons, we are familiar with the properties and their negotiated rental rates.

These buildings all represent newly constructed affordable housing properties that are in the Low Income Housing Tax Credit program. The properties all consist of over 30 units, and while the buildings are located in different boroughs, the rental rates present little variation as all the boroughs of New York City are represented by the same area median income.

The comparables range from a low of $4.92 per square foot at the 30 percent area median income classification to a high of $24.05 per square foot at the 60 percent area median income classification. On a monthly basis, the comparables indicate a range from $328 to $1,224 per month. Based on the comparables, the projected rents for the affordable housing units at the subject property appear appropriate and reasonable.

Demographic Characteristics and Demand

New York City has a significant unmet demand for affordable housing. Furthermore, demand is so strong, applications for affordable units at new developments systems are obtained through an open lottery system administered through the New York City Housing Preservation and Development (HPD). Demand was so great over the past decade the Bloomberg Administration initiated the New Housing Marketplace initiative. Conceived initially as a five-year plan with the commitment to create 65,000 affordable housing units, the plan was expanded to a 10-year plan that was to preserve 73,000 units and create 92,000 units of affordable housing providing housing for 500,000 residents by year-end 2013. Mayor de Blasio took office in early 2014 and has announced his own 10-year affordable housing plan. His plan indicates that the City will build or preserve 200,000 units over a 10 year period.

Developers of affordable housing report that low and moderate income developments typically receive anywhere from 50 to over 100 applications for every available unit. Estimates vary regarding the total number of affordable housing units in New York City as a whole. The limited supply of already existing affordable housing and proposed units, as well as the large number of applicants indicates a strong demand for the subject’s affordable housing. The majority of affordable housing developments are leased up via a lottery. There can be hundreds of applications for each apartment.

According to HUD, the household area median income for the greater metropolitan area of New York City, which includes New York City, Long Island, and Northern New Jersey, is $63,000. However, the New York City Department of Housing Preservation and Development (HPD) defines the area median income for 2013 as $85,900. The income limit for 2014 was unchanged by HPD for the City. The income limit for 2015 was established at $86,300. Given the subject’s location, we have used the area median income defined by HPD.

Based on Experian Marketing, Inc. data, we have subsequently presented calculations that illustrate the substantial demand for affordable housing. The model begins with the number of households in each radius and narrows down the qualifying households by income levels and by rental households. We have modeled the demand analysis on an income level of 60 percent of area median income as this is near the mid-point of the applicable income thresholds for the subject development. Our analysis has used the 60 percent area median income threshold as a means of determining a reasonable segment of the population in the general area that could afford these rent levels. The 60 percent threshold is a common income level benchmark for affordable housing developments.

We note that all affordable housing complexes that we are familiar with have occupancy rates in excess of 95 percent. New developments continue to be leased up immediately and waiting lists for units are still common throughout New York City. According to the New York City Housing Authority (NYCHA), there are over 270,000 names on current waiting lists for affordable housing in the City. In addition, there are an additional 100,000 names on a separate waiting list for Section 8 housing in the City. The City's entire affordable housing stock consists of 178,714 apartments according to NYCHA. We believe that the analysis lends support to the conclusion that there is an existing need for the low income housing units which we believe can be readily absorbed.

SUBJECT PROPERTY DEMAND ANALYSIS				
Target Radius			Kings County	
HPD Household Area Median Income	$86,300			
60% of Area Median Income	$51,780			
DEMAND ANALYSIS				
Total Existing Number of Households			963,699	
Existing Households by Income Level			% Households	No. Households
Under $15,000			19.61%	188,965
$15,000 to $24,999			11.37%	109,564
$25,000 to $34,999			10.06%	96,908
$35,000 to $49,999				
Percentage of Households Earning Less Than 60% of AMI		x	41.03%	395,437
Estimated Existing Number of Households at 60% AMI or Less			395,437	
Projected Change in Number of Households as of Date of Value		+	0	
Total Number of Households as of Date of Value			395,437	
Multiplied by the Percentage of Renters		x	72.88%	
Total Number Qualified Renter Households as of the Date of Value			288,194	
CAPTURE RATE ANALYSIS				
Number of Rentable Units at Subject Property			54	
Total Number Qualified Renter Households as of the Date of Value		÷	288,194	
Capture Rate			0.0187%	

As the income limit for 60% AMI is $51,780, we have only utilized incomes below the $49,999 threshold in our analysis.

The demand analysis presented above utilizes data from Experian Marketing Solutions, Inc. The data is based on 2014 estimates, which have been calculated using trend analysis from the 2010 census. A capture rate analysis is a measure of market share of a property's units. Typically a capture rate of 10 percent or less is considered an acceptable ratio when determining the feasibility of affordable housing developments. In order to determine the capture rate for a particular asset, the level of demand must first be determined. In the first part of our analysis presented on the prior page, we determine the number of qualified rental households by analyzing the number of households in a particular geographical area based on income levels. Only income levels below the 60 percent area median income threshold were used in the analysis. Within Kings County, there are 395,437 qualified rental households. The capture rate is determined by dividing the number of units at the subject property by the number of qualified rental households. This results in a capture rate of 0.0187 percent for the County. This is well below the acceptable 10 percent threshold.

We also refer to the 2014 Housing and Vacancy Study, which is the most recently published survey. The data shows the following critical points related to the demand for housing.

- As of 2014, the citywide net rental vacancy was 3.45 percent. The Brooklyn vacancy rate of 3.06 percent.

- A rental vacancy rate below 5 percent triggers the declaration of a “housing emergency”. Every survey since the first one in 1965 has found the rental vacancy to be below five percent.
- The overwhelming majority of Low Income households live with one or more significant housing problem including housing deterioration, excessive rent burden, or overcrowding.
- Every study produced shows that there is more than sufficient need for Low Income housing in all boroughs of New York City to absorb every such unit that can be produced for many years to come.
- Of the 2 million renter households in New York City, low-income renters with incomes under 60 percent of AMI have the most severe unmet housing needs.
- The entire City of New York, with its population of more than 8 million, functions as a secondary market area for Low Income housing projects.

The chart below is compiled from data from the New York City Housing Preservation and Development (HPD) and New York City Housing Development Corporation (HDC). As can be seen, there are very few low income housing opportunities currently available. The chart details the availabilities for affordable housing developments that are currently accepting applications in Kings County. There are currently 7 properties in the county that are accepting applications for affordable housing units. However, 6 of the properties are occupied with very few vacancies, with the majority of those only accepting applications for their waiting lists. As is evident, there are very few opportunities currently available for those seeking affordable housing and those that are available are through a lottery system. Developments which we are familiar with have experienced thousands of applicants per apartment unit.

Most recently, Extell Development Corporation’s development on the Upper West Side received 88,000 applications for 5 units. At the Hunters Point South Living project, officials report 92,000 applications for 924 below-market units.

AFFORDABLE UNITS CURRENTLY AVAILABLE - KINGS COUNTY				
Building Name / Location	No. of Units Available	Unit Type	Monthly Rent	Total Annual Income Range
15 Dunham Place* South Williamsburg section of Brooklyn		2 Bedroom	$2,483	$86,572 - $151,025
Elliot J. Hobbs Gardens 482 Franklin Avenue Clinton Hill neighborhood of Brooklyn	12 19	Studio 2 Bedroom	$1,589 $2,405	$55,852 - $120,925 $83,898 - $151,025
Columbia Hicks Rentals* 414 Hicks Street Columbia Street Waterfront District of Brooklyn		Studio 1 Bedroom 1 Bedroom	$1,926 $1,406 $2,065	$70,000 - $105,875 $49,612 - $54,450 $75,000 - $120,925
Navy Green R3* 45 Clermont Avenue Fort Green neighborhood of Brooklyn		Studio Studio	$565 $867	$20,743 - $24,200 $32,000 - $36,300
ENY Development LLC* Various buildings along Williams Avenue, Pennsylvania Avenue, Riverdale Avenue, Elton Street, and Dumont Avenue East New York neighborhood of Brooklyn		Studio Studio 2 Bedroom	$703 $808 $1,050	$25,475 - $30,250 $29,075 - $36,300 $37,783 - $51,780
Ocean Gate Apartments* West 33rd Street, West 24th Street, and West 29th Street Coney Island section of Brooklyn		Studio 1 Bedroom 2 Bedroom 3 Bedroom 4 Bedroom	$907 $972 $1,165 $1,347 $1,503	$31,101 - $41,460 $33,330 - $41,460 $39,948 - $51,780 $46,187 - $60,120 $51,538 - $68,400
1055 St. John's Place* Crown Heights neighborhood of Brooklyn		1 Bedroom	$917	$33,155 - $41,280
*These properties have an unspecified number of units.				

As noted in the chart above, several developments have an unspecified number of units available for rent. The appraisers have made attempts to confirm the number of units at these properties, but have been unsuccessful. We have estimated that these developments have at least 25 available units. Including our estimate for these properties with an unspecified number of units, there are a total of 181 units currently available for lease in Kings County.

Both HPD and HDC formerly tracked future affordable housing developments that were planned for each of New York City's counties. However given the small number of projects in the pipeline these organizations no longer publish this information. We know of no agency that tracks the pipeline for affordable housing construction.

There is a significant demand for affordable housing in the subject's immediate area. In the capture analysis presented earlier, there are 395,437 renter households within Kings County that have a household income below the 60 percent area median income threshold. The subject property has a total of 54 rentable affordable housing units, which equates to approximately 0.0187 percent of the number of qualified households for this income range. Given the demographic characteristics of the immediate area and the County as a whole, the subject's supply does not exceed the demand.

While we have used the total rentable unit count in our capture rate analysis, we note that 16 units will be set aside specifically for homeless veterans. While this population is not directly accounted for in the capture rate analysis, there is a significant need for housing among this population.

According to the Coalition for the Homeless, homelessness has reached the highest rate since the 1930's and notes that the primary cause of homelessness is the lack of affordable housing. As of March 2015, the New York City Department of Homeless Services (DHS) indicates that there are 60,067 people, of which 13,199 are single adults, and the remainder adults and children in families. The March 2015 numbers indicate that there are a total of 14,245 homeless families in the New York City shelter system. Research shows that a large majority of street homeless New Yorkers are people living with mental illness or other severe health problems. Studies indicate that homeless single adults have much higher rates of serious mental illness, addiction disorders, and other severe health problems, when compared to homeless families. The Department of Homeless Services also indicates that there are an additional 3,180 unsheltered homeless individuals in the City as of the end of 2013, which is the most recently compiled statistics that the agency has published. This includes individuals sleeping in subways and other public places. However, the Coalition for the Homeless is adamant that this is an understatement of the true number of unsheltered homeless in the City. Even using the conservative estimate for unsheltered homeless individuals, the total number of homeless in the City is close to 65,000.

The State of the Homeless report, released by Coalition for the Homeless on March 19, 2015, reports that advocates are calling on Mayor DeBlasio and Governor Cuomo to build 3,000 supportive housing and other special needs housing per year over the course of the next decade, for a total of 30,000 units. The Governor's most recent budget proposal, however, would create only 560 supportive housing units per year, significantly below the recommended amount. Of the 30,000 units of permanent supportive housing for homeless individuals and families living with mental illness and other special needs, 15,000 of those are requested to be new construction, with the remaining half being scattered-site apartments. Two-thirds of the units, or 20,000 units, are recommended to be reserved for individuals, with 8,700 units set aside for families, and the remaining 1,300 units set aside for youth.

While it is difficult to determine a capture rate analysis for the 16 units at the subject property that will service this population, we believe that statistics indicate that there is a significant enough demand for this type of housing.

Market Rental Rates

In order to evaluate the potential rents for market based units we surveyed the competitive market to determine what comparable buildings in residential areas similar to the subject's are offering. The following chart details building-wide averages at properties with which we are familiar located in close proximity to the subject property:

COMPETITIVE APARTMENT PROJECTS

PROPERTY INFORMATION						QUOTED MONTHLY RENT			
No.	PROPERTY NAME ADDRESS	NUMBER OF UNITS	NUMBER OF STORIES	YEAR BUILT	OCCUPANCY RATE (%)	BEDS/ BATHS	UNIT SIZE (SF)	QUOTED RENT PER MONTH	QUOTED RENT $/SF/YEAR
1	101 BEDFORD	351	8	2013	98.9%	Studio	530	$2,625	$59.43
	101 BEDFORD AVENUE					1 Bedrm	739	$3,300	$53.59
						2 Bedrm	950	$5,450	$68.84
2	THE DRIGGS BLDG A	109	7	2011	98.2%	Studio	450	$2,613	$69.68
	205 N 9TH STREET					1 Bedrm	700	$3,464	$59.38
						2 Bedrm	900	$4,726	$63.01
3	THE DRIGGS BLDG III	72	7	2011	97.2%	Studio			
	220 N 10TH STREET					1 Bedrm	700	$3,400	$58.29
						2 Bedrm	900	$4,850	$64.67
4	50 NORTH 5TH STREET	183	7	2013	98.0%	Studio	533	$3,016	$67.90
						1 Bedrm	675	$3,620	$64.36
						2 Bedrm	998	$5,209	$62.63
5	34 BERRY STREET	142	6	2010	99.3%	Studio	466	$2,645	$68.11
						1 Bedrm	750	$3,473	$55.57
						2 Bedrm	1,100	$4,958	$54.09
6	568 UNION AVENUE	95	7	2011	95.8%	Studio	472	$2,950	$75.00
						1 Bedrm	648	$3,813	$70.61
						2 Bedrm	919	$4,400	$57.45
7	KENT AVENUE APARTMENTS	112	7	2011	95.5%	Studio	550	$2,850	$62.18
	53 NORTH 3RD STREET					1 Bedrm	725	$3,520	$58.26
						2 Bedrm	1,000	$5,350	$64.20
8	184 KENT AVENUE	339	7	2010	99.7%	Studio	497	$2,735	$66.04
						1 Bedrm	671	$3,518	$62.92
						2 Bedrm	953	$4,535	$57.10
9	544 UNION AVENUE	94	7	2013	100.0%	Studio	536	$2,518	$56.37
						1 Bedrm	692	$3,003	$52.08
						2 Bedrm	1,008	$3,520	$41.90
10	229 NORTH 8TH STREET	54	6	2009	94.4%	Studio			
						1 Bedrm	750	$2,956	$47.30
						2 Bedrm	1,000	$4,099	$49.19
11	210 NORTH 12TH STREET	42	8	2014	100.0%	Studio			
						1 Bedrm	663	$3,512	$63.57
						2 Bedrm	850	$4,509	$63.66
12	LEONARD POINTE	188	7	2014	98.9%	Studio	461	$2,735	$71.24
	395 LEONARD STREET					1 Bedrm	636	$3,500	$66.01
						2 Bedrm	923	$4,876	$63.38
13	55 HOPE	117	6	2012	95.7%	Studio	515	$2,500	$58.25
	53-65 HOPE STREET					1 Bedrm	764	$3,623	$56.91
						2 Bedrm	1,023	$4,275	$50.15
14	THE GARNETT	113	11	2013	99.1%	Studio	419	$2,563	$73.40
	146 SOUTH 4TH STREET					1 Bedrm	572	$3,321	$69.71
						2 Bedrm	917	$4,824	$63.14
15	WYTHE CONFECTIONARY	69	7	2011	98.6%	Studio	544	$2,312	$51.00
	390 WYTHE AVENUE					1 Bedrm	753	$2,900	$46.22
						2 Bedrm	1,299	$4,000	$36.95
						3 Bedrm			
16	65 NORTH 6TH STREET	28	2012	6	100.0%	Studio			
						1 Bedrm	601	$3,398	$67.85
						2 Bedrm	902	$4,580	$60.93

STATISTICS						Unit Size Min	Unit Size Max	Unit Size Avg	Rent Min	Rent Max	Rent Avg	$/SF Min	$/SF Max	$/SF Avg
Low :	28	6	6	94.4%	Studio	419	550	498	$2,312	$3,016	$2,672	$51.00	$75.00	$64.88
High:	351	2012	2014	100.0%	1 Bedrm	572	764	690	$2,900	$3,813	$3,395	$46.22	$70.61	$59.54
Average:	132	133	1886	98.1%	2 Bedrm	850	1,299	978	$3,520	$5,450	$4,635	$36.95	$68.84	$57.58
Totals:	2,108													

Compiled by Cushman & Wakefield, Inc.

The building-wide comparables exhibited a wide unadjusted range in average rental rate. Location, condition of the apartments, level of amenities and building height are the most critical factors affecting the average rent achievable within apartment buildings. When comparing the comparables to the subject it is necessary to adjust for these factors as well as for unit size, layout, exposure, apartment finish and level of service within the buildings. Buildings with superior qualities and service require negative adjustments, while those with inferior qualities and services require positive adjustments.

The proposed development is located in South Williamsburg and is anticipated to be in excellent condition upon completion. The comparables presented above represent market rate buildings that are superior to the subject in terms of age, condition, utility, or locational attributes.

As such we believe that the appropriate market rents for the subject property would fall toward the lower end of the indicated range. On a weighted basis, we conclude to a market rent of $55 per square foot, which is reasonable for the subject’s location given the height of the proposed building, its anticipated level of finish, and suite of proposed amenities. The affordable rental rates, which equate to an average of $13.58 per square foot, are considered to be significantly below market.

ABSORPTION

As discussed above and on the preceding pages, there is a significant un-met demand for low income units and supportive housing throughout New York City. The subject property is projected to be complete by July 1, 2017, with stabilization by December 1, 2017. The stabilization date considers a 1-month free rent concession.

Of the 54 rentable units, we have assumed that 30 percent, or 16 units, will be pre-leased prior to completion of the building, with the remaining units to be absorbed over an additional 4-month period.

While the subject in all likelihood be substantially pre-leased prior to completion, this conservative model allows the appraisers to estimate a deduction for any costs associated with the period of time between the completion of the building and actual stabilized physical occupancy.

The residential income included in the cash flow under the affordable housing program has been developed upon a fiscal year beginning December 1, 2017, assuming stabilized occupancy. Total income in Year 1 of the holding period starting December 1, 2017, from residential sources is $505,704, based on the program rents as provided to the appraisers. Total first year residential revenues are estimated as follows:

RESIDENTIAL ABSORPTION ANALYSIS							
Units Leased	Lease Up Period	Area SF	Rent/SF Upon Stabilization	Annual Rent FYB @ Stabilization	Concessions Free Rent	Revenue Loss Free Rent	Estimated Lost Revenue During Lease-up
16	Units Pre-leased	11,034	$13.58	$149,838	1 month	$0	$0
10	Units Leased Month 1	6,896	$13.58	$93,649	1 month	$7,804	$7,804
10	Units Leased Month 2	6,896	$13.58	$93,649	1 month	$7,804	$15,608
10	Units Leased Month 3	6,896	$13.58	$93,649	1 month	$7,804	$23,412
8	Units Leased Month 4	5,517	$13.58	$74,919	1 month	$6,243	$24,973
54	Totals	**37,240**		**$505,704**		**$29,655**	**$71,797**

RESIDENTIAL RENTAL INCREASES

Earlier, we reported the historical rental rate increases allowed by the Rent Guidelines Board. On June 29, 2015, the New York City Rent Guidelines Board voted to freeze rent increases on rent-stabilized apartments with one year leases in New York City. The two-year renewal increase was reduced to 2.00 percent. This will affect all leases that begin after October 1, 2015. These rate increases serve as a guideline for future rent increases.

In our analysis, we have not projected any increases in the rental rates through the construction and absorption period. This is consistent with requirements for most municipal, state, and federal programs for affordable housing.

Potential Gross Income - Commercial

The subject property is proposed to contain one retail suite containing an estimated total of 3,903 square feet of grade level space, and a community facility suite containing approximately 1,029 square feet of grade level space. In order to determine an appropriate rent level for these two commercial spaces, we have analyzed recent leases and listings for retail and community facility suites located in the subject's local area.

COMPARABLE RETAIL RENTS

	RENTAL 1	RENTAL 2	RENTAL 3	RENTAL 4	RENTAL 5
ADDRESS	251 Grand Street	367 Bedford Avenue	340-342 Wythe Avenue	364 Bedford Avenue	42 Broadway
	B/W Driggs Ave & Roebling St	NEC South 5th Street	B/W S. 1st & S. 2nd St	Retail Suite on South 4th St	SWC Wythe Ave
	Brooklyn	Brooklyn	Brooklyn	Brooklyn	Brooklyn
LEASE INFORMATION					
TENANT NAME	Fitzgerald Jewelry	The Annoyance	12 Chairs	Listing	Listing
BEGINNING DATE	January 2015	December 2014	August 2014	November 2015	November 2015
TERM	10	10	10	Neg.	Neg.
TENANT SIZE	1,250	1,100	Basement 1,250	3,500	6,000
RENT PER SF	$67.20	$38.18	$76.80	$63.43	$45.00
INCREASES	Annual	Annual	Annual	Annual	Annual
Low $/SF	**$38.18**				
High $/SF	**$76.80**				
Average $/SF	**$58.12**				

COMPARABLE COMMUNITY FACILITY RENTS

	RENTAL 1	RENTAL 2	RENTAL 3	RENTAL 4	RENTAL 5
ADDRESS	308 Graham Avenue	579 Myrtle Avenue	358 Grove Street	65 Maspeth Avenue	42 Broadway
	SEC Ainslie Street	B/W Kingsland Ave & Woodpoint Rd	B/W Irving Ave & Wykoff Ave	B/W Kingsland Ave & Woodpoint Rd	B/W Wyth Ave & Kent Ave
	Brooklyn	Brooklyn	Brooklyn	Brooklyn	Brooklyn
LEASE INFORMATION					
TENANT NAME	Health Professionals NYC	Terry Unchali & Co (Dentist)	Social Circle (Adult Daycare)	Medical Office	Listing
BEGINNING DATE	August 2014	September 2014	February 2014	April 2011	November 2015
TERM	10	10	Month-to-Month	3	Neg.
TENANT SIZE	3,500	1,400	3,000 1st	1,500 1st	6,000
RENT PER SF	$34.29	$30.00	$23.46	$18.00	$45.00
INCREASES	Annual	Annual	Annual	Annual	Annual
Low $/SF	**$18.00**				
High $/SF	**$45.00**				
Average $/SF	**$30.15**				

Market Rent Conclusion

The chart above details the rents for 5 retail lease transactions and listings, and 5 community facility lease transactions and listings in the local area.

The retail comparables indicate a range in rental rates from a low of $38.18 per square foot to a high of $76.80 per square foot and develop an overall average rent of $58.12 per square foot.

The community facility rent comparables indicate a range in rental rates from a low of $18.00 per square foot to a high of $45.00 per square foot.

We note that the subject's commercial space frontage on South Street has limited pedestrian traffic for commercial uses. Additionally, while the retail suite has good frontage along the street, it has significant depth, which limits the utility of the space.

Given the location of the proposed building, the amount of frontage, and their physical attributes we have concluded to a retail market rent that is toward the lower end of the indicated range, or $50 per square foot, and a community facility market rent of $25 per square foot. On an adjusted basis our conclusion is within the range of comparables.

Based on our market rent conclusions for the commercial component, the total revenue in the first year of our analysis is $220,875.

Potential Gross Income - Parking

The proposed development will contain 14 parking spaces. The entrance to the parking component will be located on Berry Street at the western end of the subject site. The spaces will all be surface parking spaces. There is a high demand for off street parking within New York City. We researched rental rates for parking spaces in the surrounding area to determine an appropriate level of rent for the parking spaces.

MONTHLY PARKING RATES		
Property	**Address**	**Monthly Rate (Garage)**
4 Square Management	76 South 6th Street	$275
iPark Kent Garage	444 Kent Avenue	$254
Quik Park Berry	197 Berry Street	$275
Propark 21 Cook Street	34 Varet Street	$200
Quick Park 184 Management	10 North 3rd Street	$275
Minimum		**$200**
Maximum		**$275**
Average		**$256**

Given the subject's location, type of access, and number of spaces, we have concluded to a rental rate of $200 per month, which is toward the low end of the exhibited comparable, which we believe to be reasonable for the area.

Applying our monthly rate to the total number of parking spaces in the development, results in total revenue from the parking component in Year 1 of $33,600.

Potential Gross Income – Other Sources

Laundry Income

Laundry revenue can be developed via a lease to a third party or by the landlord maintaining the service independently. Developers are including laundry rooms in new buildings even with washer/dryers in units for tenants to launder heavy loads with commercial equipment. Typically, laundry revenue ranges between $100 and $200 per unit per year in buildings without in-unit fixtures. We budgeted for laundry revenue equivalent to $100 per unit (inclusive of the superintendent's unit) or $5,500 in the first year.

Miscellaneous

We budgeted a line item of $5,000 for miscellaneous revenue. The miscellaneous revenue includes income from forfeited security deposits and interest income, storage, valet, and miscellaneous fees (i.e., lost keys, lock replacement, application fees, pet fees, etc.). Although miscellaneous revenue in apartment buildings of this size is typically higher, the subject building will be an affordable housing development. Ownership entities of these types of development typically do not charge for various items in the same manner as ownership entities of market rate buildings. As such, we believe this level of miscellaneous revenue to be reasonable.

Potential Gross Revenue

The potential gross revenue in year one from all sources is $770,679. The following calculation details the revenue from all sources for the first year of our analysis.

Residential Revenue	$ 505,704
Commercial Revenue	$ 220,875
Parking Revenue	$ 33,600
Laundry Revenue	$ 5,500
Miscellaneous Revenue	$ 5,000
Total Potential Gross Revenue	$ 770,679

Vacancy and Collection Loss

Both the investor and the appraiser are primarily interested in the annual revenue an income property is likely to produce over a specified period of time, rather than the income it could produce if it were always 100 percent occupied and all tenants were paying their rent in full and on time. A normally prudent practice is to expect some income loss as tenants vacate, fail to pay rent, or pay their rent late. We have analyzed the vacancy of the overall and immediate market. In our analysis of the subject property, we have forecasted that residential rental units will have a 2.0 percent weighted average global vacancy charge. Our global vacancy factor assumes an additional average annual collection loss rate of 1.0 percent. These estimates are supported by our survey of occupancy rates at competing projects, on a stabilized basis.

Given the vacancy rate of direct comparables and the overall low vacancy rate for Brooklyn and New York City as a whole and the immediately surrounding areas, our conclusion is reasonable. Therefore, we have used a total vacancy and collection loss of 3.0 percent for the residential income.

We used a vacancy and collection loss of 5.0 percent applied to all other sources of income.

Overall vacancy and collection loss is projected at $28,420 in the first year of analysis.

Operating Expenses and Net Operating Income

Typically, an appraiser attempts to utilize the subject's historical operating expense data supported by comparable expense data. Since the building has no stabilized operating history we have no historical expenses. We relied upon our own estimates supported by estimates by comparable properties. However, we have been provided with a budget by the developer. This is presented in the chart on the following page. The developer has significant experience in the development and operation of affordable housing. As such, we have placed significant weight on the developer’s estimates for expenses.

EXPENSE ANALYSIS			
	Developer's Budget		
EXPENSES	Total	Per Unit	PSF
Real Estate Taxes	$0	$0	$0.00
Property Insurance	$33,000	$600	$0.54
Salary & Benefits	$53,000	$964	$0.87
Utilities	$84,448	$1,535	$1.39
Water and Sew er	$49,686	$903	$0.82
Repairs and Maintenance	$60,550	$1,101	$1.00
General and Administrative	$3,793	$69	$0.06
Legal and Professional Fees	$22,250	$405	$0.37
Painting and Supplies	$0	$0	$0.00
Management	$37,697	$685	$0.62
Reserves	$13,750	$250	$0.23
Miscellaneous	$0	$0	$0.00
TOTAL EXPENSES	$358,174	$6,512	$5.91

We also reviewed operating expenses of other similar buildings and after consulting local building managers and agents, including Cushman & Wakefield property management personnel, etc., and examined industry norms as reported by the Conventional Apartments published by the Institute of Real Estate Management.

Following are the projected operating expenses we have used in our cash flow analyses presented later in this section. We have analyzed each item of expense individually and attempted to project what the typical informed investor would consider reasonable. Although every expense category is addressed herein, only those requiring explanation of variations will be discussed in great detail. We have not grown our projection of expenses through the remaining construction and absorption period.

The following is a summary of stabilized expenses that an investor could expect as of the date of value, based upon stabilized operations.

Conclusion of Operating Expenses

We analyzed each item of expense and developed an opinion of a level of expense we believe a typical investor in a property like this would consider reasonable.

Fixed Expenses

Real Estate Taxes

We refer the reader to the “Real Property Taxes and Assessment” section of this report for a complete discussion of real estate taxes.

Insurance

The insurance expense includes the actual cost of fire and extended liability coverage. We have estimated this expense at $0.60 per square foot for a total expense of $36,344. This allows for a comprehensive policy for the subject at a rate of approximately $661 per residential unit for the entire building. Our conclusion is in line with the developer’s estimate for this expense category and within the range of the expense comparables.

Operating Expenses

Payroll and Related Expenses

This expense covers the cost of the employees' salaries. We believe the staffing will include a full-time superintendent, security, as well as contract labor on an as needed basis. Given the nature of the development, full-time security will be provided. We have forecasted payroll expenses at $0.90 per square foot or $54,516. Our conclusion is in line with the developer's estimate for this expense category and within the range of the expense comparables.

Utilities

This category includes common area heat and electricity, gas and or oil expenses. The residential apartments will be separately metered for utilities and residents will be responsible for making all utility payments. We have estimated this expense at $1.50 per square foot or $90,860. Our conclusion is in line with the developer's estimate for this expense category and within the range of the expense comparables.

Water and Sewer

This expense is estimated at $0.90 per square foot or $54,516 and covers the cost of water and sewer charges. Our conclusion is somewhat above the developer's estimate for this expense category, but in line with similar buildings in the local area and within the range of the expense comparables.

Repairs and Maintenance

This category includes expenses for maintenance to the interior and exterior of the building, mechanical systems, pest control, elevator and HVAC service contracts, and cleaning as well any minor and extraordinary maintenance to the plumbing, kitchen appliances and the roof. Based upon the new construction of the building, we have accounted for this expense at $1.00 per square foot or $60,573. Our conclusion is in line with the developer's estimate for this expense category and within the range of the expense comparables.

General and Administrative

This expense estimate covers the cost of office overhead, supplies and administrative costs. It considers the monitoring costs associated with affordable housing developments. We estimated this expense at $0.20 per square foot or $12,115. The developer has not projected for costs in this category. However, some level of general and administrative expenses are typical for the day to day operations of a building. Our cost estimate conclusion for this expense category is considered reasonable and within the range of the expense comparables.

Legal and Professional Fees

We estimated this expense at $0.40 per square foot or $24,229. Our conclusion is in line with the developer's estimate for this expense category and within the range of the expense comparables.

Painting and Supplies

The cost estimate for the periodic painting of apartments and any common areas, inclusive of supplies, is estimated at $150 per residential unit, $8,250 for the units.

Management

The cost for professional management of the subject is estimated at $0.65 per square foot or $39,372. Our conclusion is in line with the developer's estimate for this expense category and within the range of the expense comparables.

Miscellaneous

We estimated a miscellaneous expense, which is a contingency for any unforeseen or extraordinary costs. We have estimated miscellaneous expenses of $0.05 per square foot or $3,029. While the developer has not projected costs in this category, it is prudent to include some level of miscellaneous costs in expense projections. We believe our cost estimate for miscellaneous expenses is reasonable.

Total operating expenses including real estate taxes and reserves (detailed below), as of the date of stabilization, are estimated at $616,234. Deducting the expense for real estate taxes and reserves develops estimated expenses of $398,314 or $6.58 per square foot of gross building area and $7,242 per unit.

We examined the operating costs of several buildings in New York City to test the reasonableness of our expense projections. These are shown on the following page. All of the expense comparables represent the budgets for proposed affordable housing developments in the outer boroughs of the City. All of the developments are being constructed with modern green efficiencies, which is typical of newly constructed affordable housing developments in the City.

The comparable properties reflect operating expenses (excluding real estate taxes) ranging from $4.65 per square foot to $9.46 per square foot, excluding real estate taxes. On a per unit basis, the comparables indicate a range from $6,128 to $7,393 per apartment. We would expect the subject's expenses to be within the range of the comparables due to its size and the nature of the development. At $6.58 per square foot and $7,242 per unit, exclusive of taxes and reserves, the projected expenses appear reasonable.

Reserves for Replacements and Capital Reserves

It is customary and prudent to deduct an annual sum from effective gross revenue to establish a reserve for replacing short-lived items throughout the building. We have estimated $200 per unit, per year, to reserve for short-lived items in the apartments (carpet, appliances, etc.) on a regular basis. Furthermore, we deducted a total of 0.50 percent of effective gross income for capital reserves for the building.

COMPARABLE OPERATING EXPENSES RENTAL BUILDINGS												
	Brooklyn, NY			Brooklyn, NY			Brooklyn, NY			Bronx, NY		
No. Stories	13			6			9			13		
No. of Units	58			54			293			136		
Size (SF)	52,856			45,508			228,953			194,981		
Data Year	2015 Budget			2014 Budget			2014 Budget			2014 Budget		
Expenses	Total	Per Unit	PSF	Total	Per Unit	PSF	Total	Per Unit	PSF	Total	Per Unit	PSF
Real Estate Taxes	$0	$0	$0.00	$0	$0	$0.00	$0	$0	$0.00	$10,000	$74	$0.05
Insurance	$20,121	$347	$0.38	$33,215	$615	$0.73	$182,800	$624	$0.80	$81,600	$600	$0.42
Salaries & Benefits	$94,569	$1,631	$1.79	$51,275	$950	$1.13	$479,371	$1,636	$2.09	$82,000	$603	$0.42
Utilities	$73,800	$1,272	$1.40	$85,050	$1,575	$1.87	$502,300	$1,714	$2.19	$336,391	$2,473	$1.73
Water & Sewer	$29,600	$510	$0.56	$24,300	$450	$0.53	$206,440	$705	$0.90	$134,090	$986	$0.69
Repairs & Maintenance	$62,200	$1,072	$1.18	$68,187	$1,263	$1.50	$296,400	$1,012	$1.29	$113,950	$838	$0.58
General & Administratvie	$7,058	$122	$0.13	$7,330	$136	$0.16	$0	$0	$0.00	$7,500	$55	$0.04
Legal & Professional	$18,700	$322	$0.35	$20,100	$372	$0.44	$87,900	$300	$0.38	$30,400	$224	$0.16
Management	$34,857	$601	$0.66	$30,516	$565	$0.67	$294,677	$1,006	$1.29	$86,677	$637	$0.44
Painting & Supplies	$0	$0	$0.00	$0	$0	$0.00	$43,000	$147	$0.19	$0	$0	$0.00
Reserves	$14,500	$250	$0.27	$13,500	$250	$0.30	$73,250	$250	$0.32	$34,000	$250	$0.17
Miscellaneous	$0	$0	$0.00	$0	$0	$0.00	$0	$0	$0.00	$0	$0	$0.00
Total Expenses	**$355,405**	**$6,128**	**$6.72**	**$333,473**	**$6,175**	**$7.33**	**$2,166,138**	**$7,393**	**$9.46**	**$916,608**	**$6,740**	**$4.70**
Expenses Less RE Taxes	**$355,405**	**$6,128**	**$6.72**	**$333,473**	**$6,175**	**$7.33**	**$2,166,138**	**$7,393**	**$9.46**	**$906,608**	**$6,666**	**$4.65**

INCOME AND EXPENSE PRO-FORMA

The following chart summarizes our opinion of income and expenses for the subject property.

SUMMARY OF REVENUE AND EXPENSES				
	Year One			
	Total	Per Unit	Per SF	% of EGI
POTENTIAL GROSS REVENUE				
Residential Rent	$505,704	$9,365	$8.35	
Commercial Income	$220,875	$4,090	$3.65	
Parking Income	$33,600	$622	$0.55	
Laundry	$5,500	$102	$0.09	
Miscellaneous	$5,000	$93	$0.08	
TOTAL POTENTIAL GROSS REVENUE	$770,679	$14,272	$12.72	
Vacancy and Collection Loss	($28,420)	($526)	($0.47)	
EFFECTIVE GROSS REVENUE	$742,259	$13,746	$12.25	
OPERATING EXPENSES				
Real Estate Taxes (Unabated)	$217,920	$3,962	$3.60	29.36%
Insurance	$36,344	$661	$0.60	4.90%
Salary and Benefits	$54,516	$991	$0.90	7.34%
Utilities	$90,860	$1,652	$1.50	12.24%
Water and Sewer	$54,516	$991	$0.90	7.34%
Repairs and Maintenance	$60,573	$1,101	$1.00	8.16%
General and Administrative	$12,115	$220	$0.20	1.63%
Legal and Professional Fees	$24,229	$441	$0.40	3.26%
Painting and Supplies	$8,250	$150	$0.14	1.11%
Management	$39,372	$716	$0.65	5.30%
Reserves	$14,511	$264	$0.24	1.96%
Miscellaneous	$3,029	$55	$0.05	0.41%
TOTAL EXPENSES	**$616,234**	**$11,204**	**$10.17**	**83.02%**
NET OPERATING INCOME	**$126,025**	**$2,541**	**$2.08**	**16.98%**

As is detailed in the proforma, the subject property will not generate a high level of income. The program rents are deeply discounted. Despite the low level of effective gross income generated by the property, ownership must still operate the property with a level of expenses commensurate with the size of the development. As such, the net operating income is significantly impacted. Additionally, we have modeled for a full level of real estate taxes. Although the property will benefit from an 420c and ICAP tax exemption, we have valued the exemption separately in our analysis.

INVESTMENT CONSIDERATIONS

OVERVIEW

U.S. GDP growth slowed to a crawl in the first quarter of 2015, as the second consecutive severe winter held economic growth to an annual rate of 0.6 percent. The second quarter saw a bounce back in activity, but it was modest, with GDP increasing at a 2.3 percent annual pace. Overall, the U.S. economy continues to expand at a moderate pace.

In one very important respect, the economy remains strong. Job growth and other measures of the labor market are all very healthy. Payroll employment growth slowed to an average of 153,000 per month in March/April, but accelerated to 239,000 per month in May/June. Partly as a result, the unemployment rate fell to 5.3 percent in June, the lowest level since April 2008. In addition, the number of job openings has reached a record high as employers appear to be having a hard time finding qualified employees. Despite this strength, earnings growth remained slow in the second quarter. As of June, average hourly earnings in the economy were only 2.0 percent above the level of a year earlier. However, with the number jobs increasing, aggregate income (the combination of the number of employed and wages) adjusted for taxes and inflation was up a healthy 3.0 percent in June from a year earlier.

Part of the reason for the slow growth in GDP during 2015 has been the asymmetrical impact of the decline in oil prices. At the beginning of the year there was an almost universal expectation that lower oil prices would act like a tax cut and provide more discretionary income and stimulate stronger growth in consumer spending. That did not happen, but capital investment by the oil industry did decline sharply, contributing to a decline in business investment in new equipment during the second quarter. Overall, businesses appear to have been more cautious about their investment spending during the second quarter.

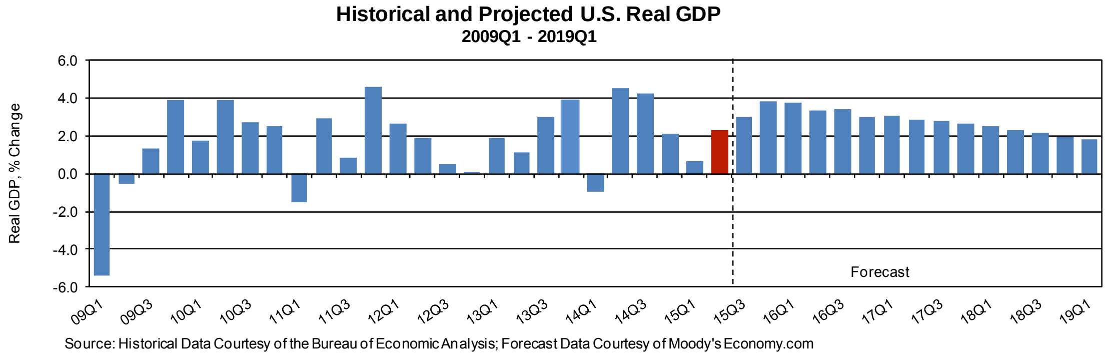
The 10-year Treasury note started out the quarter at a yield of approximately 1.8 percent and by the end of the quarter was in the 2.3 percent range. Federal Reserve policy makers continue to point to strong labor markets as an important factor in the decision on when to raise interest rates and as job growth remained strong interest rates rose. It now appears likely that the Federal Reserve will raise interest rates during the second half of the year. Because the increases are expected to be a result of improving economic conditions, it is not expected that higher interest rates will have a negative impact on commercial real estate values.

CURRENT ECONOMIC CONDITIONS

The evidence of a stronger economy prompted the Federal Reserve's Open Market Committee (FOMC) to announce that the Central Bank would gradually reduce its purchases of long-term Treasury securities and mortgage backed securities widely referred to as quantitative easing. During 2014, the FOMC continued to reduce the amount of bonds purchased each month, indicating the Central Bank's confidence that the economy does not require the additional stimulation that this policy was providing. A statement released after the FOMC meeting in December 2014 was the clearest indication that the Central Bank will begin to raise interest rates in 2015. The FOMC's most recent statement made it clear that the key driver of the decision to raise short-term interest rates, the condition of the labor market, has been a bit soft to start the year. Despite the somewhat soft market, the FOMC intends to raise rates at least once before the end of the year.

The Fed is about to change interest rate policy for the first time since 2009. The six years that the Fed has kept short term interest rates unchanged is, by far, the longest period of unchanged policy in the Fed's history. When the Fed makes this shift to raising rates, it will mark the first time in almost a decade that it has increased interest rates. The shift to higher interest rates has been anticipated for a long time and has been signaled by the FOMC in its press releases over the past year or so. In last week's release, the FOMC was pretty clear in its intention to raise interest rates and what will influence the timing of that move.

The following graph displays historical and projected U.S. Real GDP percent change (annualized on a quarterly basis) from first quarter 2009 through first quarter 2019 (red bar highlights the most recent quarter-15Q2):



Notable concerns regarding current economic conditions are as follows:

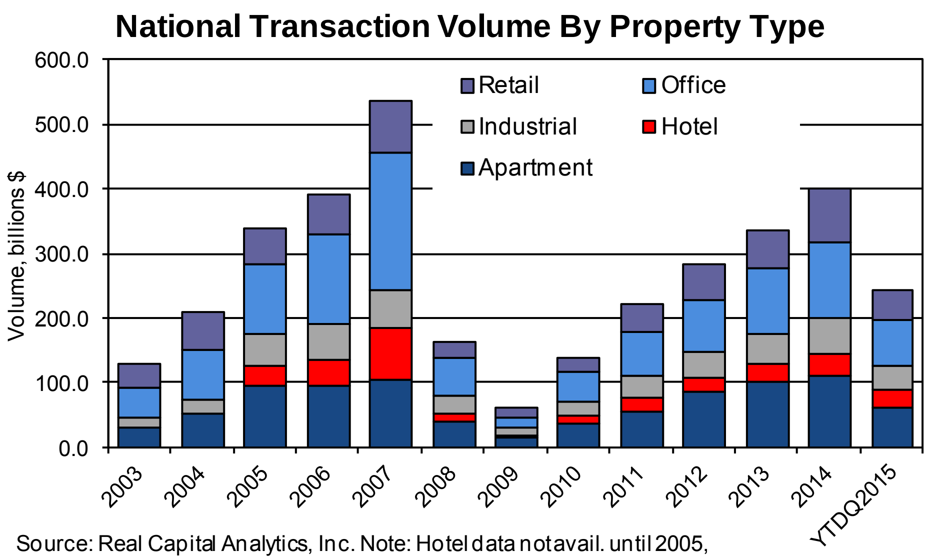
- The U.S. economy continues to add jobs at a healthy pace, indicating that businesses are confident that demand for their products is rising and they need to increase output. In July, the economy added 215,000 jobs, the third consecutive month that nonfarm payroll employment increased by more than 200,000 jobs.
- The latest numbers from Moody's Analytics show that the U.S. GDP increased 2.3 percent annual rate during second quarter 2015. Much of the economic data for the U.S. in the first half of 2015 has been released. The data suggest that the economy remained sluggish in the first quarter of the year, and the U.S. GDP only slightly grew. However, nationally jobs are being added at a stable pace, which as the FOMC indicated will be the key driver for interest rate hikes later in the year.
- Labor markets continue to tighten. The national unemployment rate held steady at 5.3 percent and signs point to faster wage growth in the second half of 2015, which should boost income and spending at a faster clip during the second half of the year.
- The financial environment is expected to shift in September. The Fed has been hinting for some time that change is coming. When it comes, it will be for all the right reasons: rising employment and faster wage growth. Health in these three categories will be crucial in boosting the commercial real estate sector in the coming year.

US Real Estate Market Implications

The commercial real estate market started to pick up in 2012 continued in 2013 and 2014. According to Real Capital Analytics, 23,015 properties traded hands in 2013 for a total transaction volume of approximately $338.9 billion. Commercial real estate sales volume remained strong throughout 2014, as transaction volume totaled $401.9 billion. Property prices at an aggregate level surpassed the 2007 peak and cap rates in many sectors are at all-time lows. As volume and price levels head into uncharted territory, investors are reassessing risk and took their foot off of the gas towards the end of 2014. Through second quarter 2015, 14,689 properties changed hands as volume reached $244.1 billion in the first half of 2015. These levels of volume put activity ahead of the pace set in 2006. Despite this sign of strength, the volume for the year was front-loaded in first quarter. Had that pace continued it could have been the start of a frenzied market with the potential for a bubble. The lower growth volume has not been matched with increases in cap rates so it is not as if investors are pulling away from commercial real estate, a trend worth watching. Investors are getting concerned about the similarities in the current market to those leading up to the last peak. While the drivers of the market are different today than in the period leading to the Global Financial Crisis, similar volume and pricing trends underscores changes in investor preference between the two cycles.

According to the PriceWaterhouseCoopers Real Estate Investor Survey for second quarter, the average cap rate decreased in 26 survey markets, held steady in four and increased in another four. The declines are diverse and widespread among property sectors and locations with national regional mall, national flex/R&D market and the city specific office market of Suburban Maryland posting the steepest drops this quarter. Average overall cap rate expansion is the greatest for both the Manhattan and Houston office markets where cutbacks in the U.S. energy sector and additions to supply are negatively impacting fundamentals. In contrast, the average expanded just one basis point in Dallas and Chicago this quarter. Investors expect positive trends to continue in the year ahead. Even though many foresee rising interest rates, it is widely believe that the commercial real estate industry can handle the anticipated increases in interest rates without serious disruption to its recovery and sales activity.

The following graph compares national transaction volume by property between 2003 and second quarter 2015:



Source: Real Capital Analytics, Inc. Note: Hotel data not avail. until 2005,

CONCLUSIONS

Despite the slower economic growth in the early part of 2014, the commercial real estate investment market started 2015 off strong a trend that did not continue into second quarter as transaction volume was down on a quarterly basis. Transaction volume totaled $244.1 billion through second quarter 2015, up from the same time last year, as the access to capital continues to be relatively easy for most investors. Nearly all markets have posted volume gains for the year to date. Real estate markets remain in a sweet spot in the cycle. Demand is rising. Supply is beginning to increase, but is still contained. As a result, when vacancy rates continue to decline across markets and property types, it will tend to put upward pressure on rents. The next year should continue to see steady improvement in real estate markets across the U.S.

Going forward, prices for prime assets are expected to stay high, as the competition among buyers remains fierce, especially in core markets. Investors expect positive trends to continue throughout 2015. Even with the impending rise in interest rates, it is widely believed that the commercial real estate industry can handle the anticipated increases in rates without serious disruption to its performance, according to PWC Real Estate Investor Survey. As a result, competition among buyers is likely to remain strong and keep prices elevated for the best properties offered.

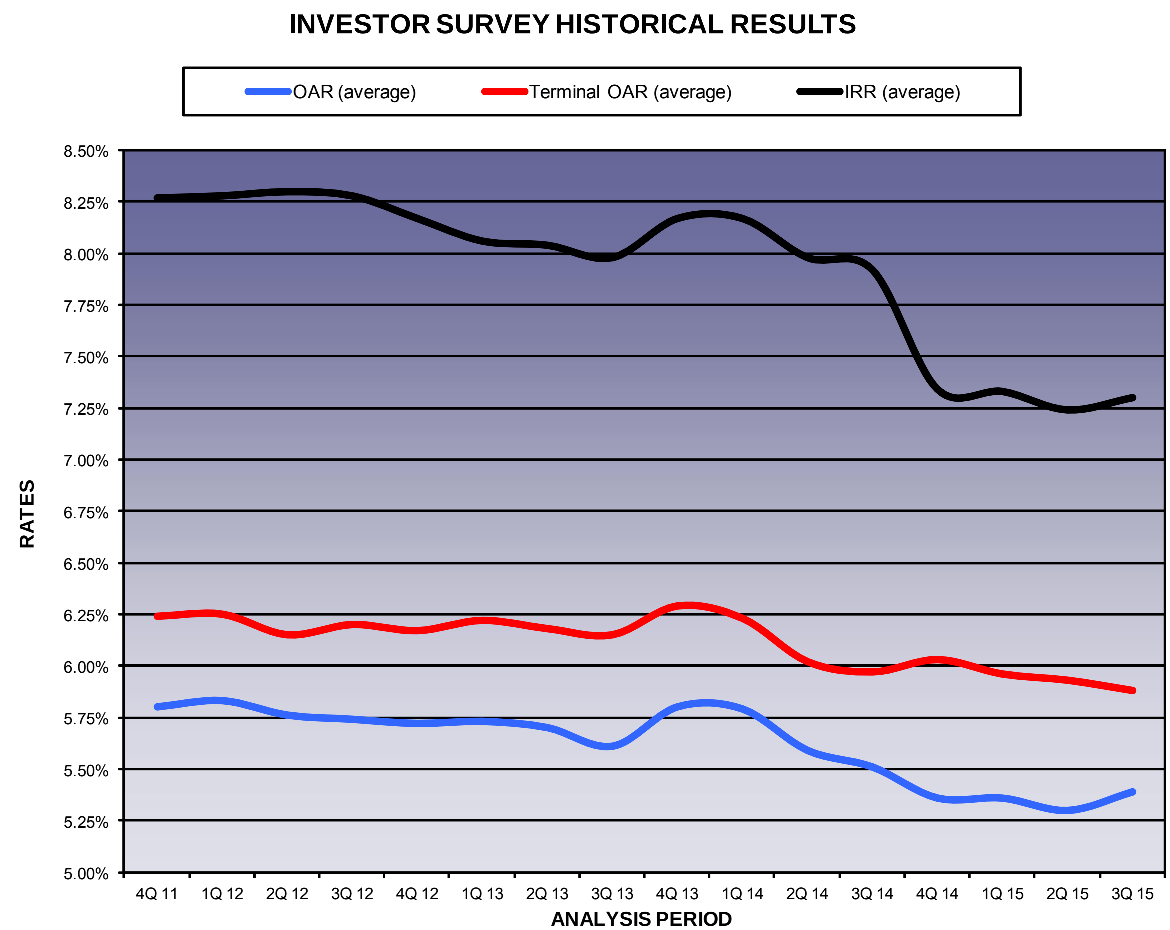
INVESTOR SURVEY TRENDS

Historic trends in real estate investment help us understand the current and future direction of the market. Investors' return requirements are a benchmark by which real estate assets are bought and sold. The following graph shows the historic trends for the subject's asset class spanning a period of four years as reported in the PwC Real Estate Investor Survey published by PricewaterhouseCoopers.

INVESTOR SURVEY HISTORICAL RESULTS

Survey:	**PwC**	**End Quarter:**
Property Type:	**NATIONAL APARTMENT**	**3Q 15**

Quarter	4Q 11	1Q 12	2Q 12	3Q 12	4Q 12	1Q 13	2Q 13	3Q 13	4Q 13	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15	3Q 15
OAR (average)	5.80%	5.83%	5.76%	5.74%	5.72%	5.73%	5.70%	5.61%	5.80%	5.79%	5.59%	5.51%	5.36%	5.36%	5.30%	5.39%
Terminal OAR (average)	6.24%	6.25%	6.15%	6.20%	6.17%	6.22%	6.18%	6.15%	6.29%	6.23%	6.02%	5.97%	6.03%	5.96%	5.93%	5.88%
IRR (average)	8.27%	8.28%	8.30%	8.28%	8.17%	8.06%	8.04%	7.98%	8.17%	8.17%	7.98%	7.92%	7.34%	7.33%	7.24%	7.30%



Source: PwC Real Estate Investor Survey

The preceding table summarized the investment parameters of some of the most prominent investors currently acquiring high-grade apartment properties in the United States. The Price Waterhouse Coopers investor survey must be put in perspective considering the property specific issues detailed throughout the report, as well as the investor criteria of the local marketplace.

In the Sales Comparison Approach we presented seven sales, from which we were able to extract and verify six capitalization rates. A summary of the capitalization rates from the comparable sales detailed earlier is presented in the chart on the following page.

CAPITALIZATION RATE SUMMARY			
No.	Name and Location	Sales Date	Capitalization Rate
1	385 Union Avenue Brooklyn, NY	6/2015	N/A
2	250 North 10th Street Brooklyn, NY	4/2015	4.00%
3	Printhouse Lofts 139 North 10th Street Brooklyn, NY	11/2014	4.00%
4	68 Richardson Street Brooklyn, NY	9/2014	4.30%
5	281 Union Avenue Brooklyn, NY	8/2014	4.75%
6	80 Meserole Street Brooklyn, NY	5/2014	5.25%
7	Chocolate Factory 275 Park Avenue	8/2014	3.40%
STATISTICS			
Sample Size		7	6
Low		5/2014	3.40%
High		6/2015	5.25%
Average		11/2014	4.28%

Compiled by Cushman & Wakefield, Inc.

The overall average capitalization rate for these sales was 4.28 percent.

CAPITALIZATION RATE FROM INVESTOR SURVEYS

We considered data extracted from the Real Estate Investor Survey as published by PriceWaterHouseCoopers for competitive properties. Earlier in the report, we presented historical capitalization rates for the prior four year period. The most recent information from this survey is listed in the chart below:

CAPITALIZATION RATES			
Survey	Date	Range	Average
PwC	Third Quarter 2015	3.50% - 8.00%	5.39%

PwC - Refers to National Apartment market regardless of class or occupancy

The historical capitalization rates of New York City have been typically 100 to 200 basis points lower than the national average.

BAND OF INVESTMENT TECHNIQUE

We used the band of investment technique to estimate a capitalization rate that accounts for the combination of equity and prevailing financing. The rate developed is a weighted average, the weights being percentages of the total value, which are occupied by the mortgage and equity positions.

After surveying several commercial mortgage lenders, it is our opinion that a typical creditworthy purchaser could obtain financing from a lending source in an amount equal to 75 percent of value at an annual interest rate of 4.00 percent.

A typical loan period for this type of real estate ranges from 3 to 10 years. Using a 30-year amortization period at a 4.00 percent interest rate (payable monthly) yields a mortgage constant of .05729.

We believe an investor in the subject property would accept an initial annual return of 5.0% in anticipation of a stable income flow and property appreciation over time. It should be emphasized that the equity dividend rate is not necessarily the same as an equity yield rate or true rate of return on equity capital. The equity dividend rate is an equity capitalization that reflects all benefits that can be recognized by the equity investor as of the date of purchase. We selected this rate based on the subject's location in an average residential area, with good access and average visibility. The following chart gives a summary of the mortgage and equity parameters utilized in our derivation of an overall capitalization rate.

MORTGAGE COMPONENT	
TYPICAL LOAN TERMS	
Mortgage Rate	4.00%
Amortization Term (Years)	30
Number of Payments	360
Loan-to-Value Ratio (M)	75.00%
Equity Ratio (E)	25.00%
Mortgage Constant (R_M)	0.05729

Compiled by Cushman & Wakefield, Inc.

Calculation of Overall Capitalization Rate (R_O)

The calculation of the overall capitalization rate (R_O) using the band of investment technique is as follows:

R_O BY BAND OF INVESTMENT		
Mortgage Ratio	75.00%	
Annual Mortgage Constant	5.73%	
Mortgage Component		4.30%
Equity Ratio	25.00%	
Equity Dividend Rate	5.00%	
Equity Component		1.25%
Indicated Overall Rate (R_O)		**5.55%**

Compiled by Cushman & Wakefield, Inc.

Debt Service Coverage

We also used the debt service coverage formula technique to develop an overall rate. This formula is as follows:

OAR = DCR x LTV x Mortgage Constant

We researched available publications and interviewed mortgage lenders active in this segment of the market. We used a debt coverage ratio of 1.25, a loan to value ratio of 75% and a mortgage constant of .05729. The formula indicates an overall rate of 5.37 percent.

Capitalization Rate Conclusion

We considered all aspects of the subject property that would influence the overall rate. Considering the subject's location, competitive position in the marketplace, quality, tenancy, and returns expected by investors, we concluded to a capitalization rate of 5.00 percent. Our selection of a capitalization rate range is considered reasonable given the current investment sales market. It also considers the subject's rent levels comparable to market.

Direct Capitalization Method Conclusion

In the Direct Capitalization Method, we developed an opinion of market value by dividing year one net operating income by our selected overall capitalization rate. Our conclusion using the Direct Capitalization Method is as follows:

DIRECT CAPITALIZATION METHOD			
Prospective Value Upon Stabilization			
NET OPERATING INCOME	**$126,025**	**$2,541**	**$2.08**
Sensitivity Analysis (0.50% OAR Spread)	**Value**	**Per Unit**	**Per SF**
Based on Low -Range of 4.50%	$2,800,550	$50,919	$46.23
Based on Most Probable Range of 5.00%	$2,520,495	$45,827	$41.61
Based on High-Range of 5.50%	$2,291,359	$41,661	$37.83
Reconciled As Is Value	**$2,520,495**		
Rounded to nearest $100,000	**$2,500,000**	**$45,455**	**$41.27**

As indicated, the physical real estate does not have a significant contribution to the overall market value of the property. This is not atypical for affordable housing developments in the City, which do not generate high levels of revenue. However, affordable housing developments benefit from intangible components of value, which increase their economic feasibility.

We have therefore concluded that the as-is market value estimate for the leased fee interest of the subject property, inclusive of the present value of the 420c and ICAP tax abatements (detailed previously), the below market financing, and the value of the LIHTC (detailed on the following pages), is **$24,900,000,** rounded. The chart below summarizes our conclusions.

VALUE SUMMARY	
Prospective Market Value - Real Estate	$2,500,000
Present Value - 420c Tax Exemption	$4,200,000
Present Value - ICAP Tax Exemption	$200,000
Total Present Value - Submarket Financing	$7,800,000
LIHTC	$10,200,000
Total	$24,900,000
Rounded	**$24,900,000**

Prospective Market Value Conclusion

Therefore, we have concluded that the prospective market value of the subject property upon stabilization and including all other intangible components of value will be **$24,900,000**.

Prospective Market Value Upon Completion

The prospective market value was developed assuming that the building is stabilized. Previously, we have concluded to a 4-month lease up period, post-completion.

To derive the prospective market value upon completion, it is necessary to deduct the costs that the developer will be liable for to reach stabilization. These include carrying costs for the apartments that have not been leased, marketing and commission expenses for the un-leased residential and commercial units of the development and loss of rent over the lease up period.

The lost rental revenue was derived based upon the absorption of market rate units over a 4-month period. Based upon the average apartment size of 690 square feet for the rentable units, rounded, 30 percent of rentable area leased upon completion, and the average rental rate of $13.58 per square foot, the lost revenue is calculated below:

RESIDENTIAL ABSORPTION ANALYSIS							
Units Leased	Lease Up Period	Area SF	Rent/SF Upon Stabilization	Annual Rent FYB @ Stabilization	Concessions Free Rent	Revenue Loss Free Rent	Estimated Lost Revenue During Lease-up
16	Units Pre-leased	11,034	$13.58	$149,838	1 month	$0	$0
10	Units Leased Month 1	6,896	$13.58	$93,649	1 month	$7,804	$7,804
10	Units Leased Month 2	6,896	$13.58	$93,649	1 month	$7,804	$15,608
10	Units Leased Month 3	6,896	$13.58	$93,649	1 month	$7,804	$23,412
8	Units Leased Month 4	5,517	$13.58	$74,919	1 month	$6,243	$24,973
54	Totals	**37,240**		**$505,704**		**$29,655**	**$71,797**

In addition to the lost revenue from the residential component, we have considered the costs associated with leasing the retail suite. These are detailed below.

- Retail leasing commissions have been estimated at 3.0 percent of the gross rent over a 15-year period assuming 3.0 percent annual rent escalations. The total commissions for the commercial component equates to $123,241.
- We have also considered lost rent in our deductions. We have assumed the commercial components will require 4 month to lease, which is a typical period in the current market. This equates to a total loss in rental revenue of $73,625.
- For commercial suites we have also considered free rent in our deductions. We have assumed 3 months free rent, which is a typical period in the current market. Three months free rent equates to a total loss in rental revenue of $55,219.

To these various estimates, we added a contingency of $50,000 to account for marketing, carrying costs, and any unforeseen costs incurred during the absorption period. The total developer's costs are therefore summarized in the following chart:

LEASING COSTS	
Residential Commissions/Incentives	$29,655
Residential Lost Rental Revenue	$71,797
Residenital Lost Revenue Free Rent	$29,655
Commercial Component Leasing Commissions	$123,241
Commercial Component Lost Rental Revenue	$73,625
Commercial Component Lost Revenue Free Rent	$55,219
Contingency	$50,000
Total Costs	**$433,193**
Rounded to	**$450,000**

The prospective market value upon completion of the subject property's leased fee interest is estimated by deducting the costs that the developer will expend to reach stabilized occupancy. The prospective market value of the leased fee interest upon stabilization was concluded to be $24,900,000, inclusive of all other intangible components of value. The prospective market value upon completion is estimated as follows.

Prospective Market Value Upon Stabilization	$24,900,000
Less: Costs to Reach Stabilization	$ 450,000
Prospective Market Value Upon Completion	$ 24,450,000

CONCLUSION

Therefore, we have concluded that the prospective market value upon completion of the subject property's leased fee interest, as of July 1, 2017, the prospective date of completion, will be **$24,450,000**. This prospective market value includes the value of all intangible components of value.

BELOW MARKET FINANCING

The proposed affordable housing development will be financed by several sources. The mortgages will have 30-year terms. A summary of the financing is detailed in the chart below.

SUMMARY OF LOAN				
	Amount	Type	Term	Rate
HDC Bonds / SONYMA	$2,860,000	Self Amortizing	30 yrs.	5.70%
HDC Accrued Interest Mortgage	$3,575,000	Non-Amortizing, Accrued Interest. Balloon Pmt	30 yrs.	1.61%
HPD Accrued Interest Mortgage	$3,575,000	Non-Amortizing, Accrued Interest. Balloon Pmt	30 yrs.	2.61%
Our Space Capital Subsidy Accrued Interest Loan	$2,169,404	Non-Amortizing, Accrued Interest. Balloon Pmt	30 yrs.	1.00%

The chart above details the most recent terms of the financing as provided by the developer.

The current seven day low floater rate changes each week upon trading. Current rates for tax exempt bonds have been below 0.10 percent since May 2014. Considering the fluidity of seven day paper, a current low floater rate of 3.50 percent, excluding amortization is utilized as the average HFA financing rate. Additional fees for re-marketing, agency, administrative and issuance of letters of credit to secure the bonds collateralizing the mortgage total 1.75 to 2.25 percent. When these fees are added to the base rate, the result is an average built-up tax-exempt interest rate of 3.50 to 4.60 percent. The tax exempt floating rate is based upon the Municipal Swap Index. Prior to July 1, 1989, the rate was based upon TENR as announced weekly by Bankers Trust. The following charts detail the historical Municipal Swap Index from 2014 to the present.

MUNICIPAL SWAP INDEX - 2015					
Date	Rate (%)	Date	Rate (%)	Date	Rate (%)
7-Jan	0.02	22-Apr	0.08	5-Aug	0.02
14-Jan	0.02	29-Apr	0.11	12-Aug	0.02
21-Jan	0.02	6-May	0.10	19-Aug	0.02
28-Jan	0.02	13-May	0.11	26-Aug	0.02
4-Feb	0.20	20-May	0.11	2-Sep	0.02
11-Feb	0.02	27-May	0.10	9-Sep	0.02
18-Feb	0.02	3-Jun	0.07	16-Sep	0.02
25-Feb	0.02	10-Jun	0.07	23-Sep	0.02
4-Mar	0.02	17-Jun	0.08	30-Sep	0.02
11-Mar	0.02	24-Jun	0.07	7-Oct	0.02
18-Mar	0.02	1-Jul	0.05	14-Oct	0.02
25-Mar	0.02	8-Jul	0.04	21-Oct	0.01
1-Apr	0.02	15-Jul	0.03	28-Oct	0.01
8-Apr	0.02	22-Jul	0.30	4-Nov	0.01
15-Apr	0.04	29-Jul	0.02		

Source:The Securities Industry and Financial Markets Association

MUNICIPAL SWAP INDEX - 2014					
Date	Rate (%)	Date	Rate (%)	Date	Rate (%)
1-Jan	0.04	7-May	0.08	10-Sep	0.04
8-Jan	0.03	14-May	0.08	17-Sep	0.04
15-Jan	0.04	21-May	0.08	24-Sep	0.04
22-Jan	0.04	28-May	0.06	1-Oct	0.03
29-Jan	0.04	4-Jun	0.05	8-Oct	0.04
5-Feb	0.03	11-Jun	0.06	15-Oct	0.04
12-Feb	0.03	18-Jun	0.07	22-Oct	0.04
19-Feb	0.04	25-Jun	0.06	29-Oct	0.05
26-Feb	0.03	2-Jul	0.04	5-Nov	0.04
5-Mar	0.04	9-Jul	0.04	12-Nov	0.05
12-Mar	0.05	16-Jul	0.05	19-Nov	0.05
19-Mar	0.06	23-Jul	0.06	26-Nov	0.04
26-Mar	0.06	30-Jul	0.06	3-Dec	0.03
2-Apr	0.06	6-Aug	0.05	10-Dec	0.04
9-Apr	0.07	13-Aug	0.05	17-Dec	0.04
16-Apr	0.11	20-Aug	0.05	24-Dec	0.04
23-Apr	0.12	27-Aug	0.05	31-Dec	0.03
30-Apr	0.10	3-Sep	0.04		

Source:The Securities Industry and Financial Markets Association

For market rate financing, current mortgage constants on short term financing are based upon LIBOR plus 300 to 450 basis points. Currently the one month LIBOR rate is 0.20 percent while 1-year LIBOR is 0.90 percent. Typical interest rates for commercial loans in the $10,000,000 plus category, in the northeast, range between 4.25 and 6.5 percent for multi-family housing. Lower rates are typical of loans with a 5 or 10-year call. Long term fixed rate mortgages with 25 to 40 year amortization terms, with maturity of 30 years out are atypical in this market.

We considered all this data and used an interest rate of 7.5 percent to calculate the net savings in debt service over the respective terms of the financing.

While lower rates are available in the market for financing with shorter terms, our conclusion considers the long-term nature of the financing. The projected savings attributable to each of the below market mortgages, is detailed below and on the following pages.

The preferred method to estimate the present value of the submarket financing is to discount the total debt service payments to a present value at a rate equal to a market mortgage rate. The present value of these payments is then deducted from the total amount of principal.

BELOW MARKET FINANCING: HDC BONDS / SONYMA
$2,860,000 BOND AMOUNT
CASH EQUIVALENCY TEST

Beginning Balance	Ending Balance	Amortization Schedule @5.70%	Interest Payment @5.70%	Total Payment	X	PVIF@ 7.50%		Present Value of below-market debt service payments	
2,860,000	2,821,870	38,130	163,020	201,150	X	0.9302	=	$187,117	
2,821,870	2,781,566	40,304	160,847	201,150	X	0.8653	=	$174,062	
2,781,566	2,738,965	42,601	158,549	201,150	X	0.8050	=	$161,918	
2,738,965	2,693,935	45,029	156,121	201,150	X	0.7488	=	$150,622	
2,693,935	2,646,339	47,596	153,554	201,150	X	0.6966	=	$140,113	
2,646,339	2,596,030	50,309	150,841	201,150	X	0.6480	=	$130,338	
2,596,030	2,542,853	53,177	147,974	201,150	X	0.6028	=	$121,244	
2,542,853	2,486,646	56,208	144,943	201,150	X	0.5607	=	$112,785	
2,486,646	2,427,234	59,412	141,739	201,150	X	0.5216	=	$104,917	
2,427,234	2,364,436	62,798	138,352	201,150	X	0.4852	=	$97,597	
2,364,436	2,298,058	66,378	134,773	201,150	X	0.4513	=	$90,788	
2,298,058	2,227,897	70,161	130,989	201,150	X	0.4199	=	$84,454	
2,227,897	2,153,737	74,160	126,990	201,150	X	0.3906	=	$78,562	
2,153,737	2,075,350	78,387	122,763	201,150	X	0.3633	=	$73,081	
2,075,350	1,992,494	82,855	118,295	201,150	X	0.3380	=	$67,982	
1,992,494	1,904,916	87,578	113,572	201,150	X	0.3144	=	$63,239	
1,904,916	1,812,346	92,570	108,580	201,150	X	0.2925	=	$58,827	
1,812,346	1,714,499	97,847	103,304	201,150	X	0.2720	=	$54,723	
1,714,499	1,611,075	103,424	97,726	201,150	X	0.2531	=	$50,905	
1,611,075	1,501,756	109,319	91,831	201,150	X	0.2354	=	$47,353	
1,501,756	1,386,206	115,550	85,600	201,150	X	0.2190	=	$44,050	
1,386,206	1,264,069	122,137	79,014	201,150	X	0.2037	=	$40,976	
1,264,069	1,134,971	129,098	72,052	201,150	X	0.1895	=	$38,118	
1,134,971	998,514	136,457	64,693	201,150	X	0.1763	=	$35,458	
998,514	854,279	144,235	56,915	201,150	X	0.1640	=	$32,984	
854,279	701,822	152,457	48,694	201,150	X	0.1525	=	$30,683	
701,822	540,676	161,147	40,004	201,150	X	0.1419	=	$28,543	
540,676	370,344	170,332	30,819	201,150	X	0.1320	=	$26,551	
370,344	190,303	180,041	21,110	201,150	X	0.1228	=	$24,699	
190,303	0	190,303	10,847	201,150	X	0.1142	=	$22,976	
								$2,375,664	=PV of debt service payments at market rate
						Rounded		**$2,860,000**	=Initial principal amount
								$484,336	=Prospective value of below market financing
								$500,000	

The total present value of the HDC Bonds / SONYMA estimated by discounting the savings in interest costs over the term of the loan is **$500,000**.

BELOW MARKET FINANCING: HDC SECOND MORTGAGE $3,575,000 BOND AMOUNT CASH EQUIVALENCY TEST											
Beginning Balance	Ending Balance	Amortization Schedule @0.0%	Interest Payment @1%	Interest Accrued @1.61%	Total Payment	X	PVIF@ 7.50%		Present Value of below-market debt service payments		
3,575,000	3,575,000	0	35,750	22,234	35,750	X	0.9302	=	$33,256		
3,597,234	3,619,829	0	35,750	22,595	35,750	X	0.8653	=	$30,936		
3,619,829	3,642,790	0	35,750	22,961	35,750	X	0.8050	=	$28,777		
3,642,790	3,666,124	0	35,750	23,334	35,750	X	0.7488	=	$26,770		
3,666,124	3,689,836	0	35,750	23,712	35,750	X	0.6966	=	$24,902		
3,689,836	3,713,933	0	35,750	24,097	35,750	X	0.6480	=	$23,165		
3,713,933	3,738,420	0	35,750	24,488	35,750	X	0.6028	=	$21,548		
3,738,420	3,763,305	0	35,750	24,885	35,750	X	0.5607	=	$20,045		
3,763,305	3,788,593	0	35,750	25,288	35,750	X	0.5216	=	$18,647		
3,788,593	3,814,292	0	35,750	25,698	35,750	X	0.4852	=	$17,346		
3,814,292	3,840,407	0	35,750	26,115	35,750	X	0.4513	=	$16,136		
3,840,407	3,866,946	0	35,750	26,539	35,750	X	0.4199	=	$15,010		
3,866,946	3,893,915	0	35,750	26,969	35,750	X	0.3906	=	$13,963		
3,893,915	3,921,322	0	35,750	27,407	35,750	X	0.3633	=	$12,988		
3,921,322	3,949,173	0	35,750	27,851	35,750	X	0.3380	=	$12,082		
3,949,173	3,977,476	0	35,750	28,303	35,750	X	0.3144	=	$11,239		
3,977,476	4,006,238	0	35,750	28,762	35,750	X	0.2925	=	$10,455		
4,006,238	4,035,466	0	35,750	29,229	35,750	X	0.2720	=	$9,726		
4,035,466	4,065,169	0	35,750	29,703	35,750	X	0.2531	=	$9,047		
4,065,169	4,095,353	0	35,750	30,184	35,750	X	0.2354	=	$8,416		
4,095,353	4,126,027	0	35,750	30,674	35,750	X	0.2190	=	$7,829		
4,126,027	4,157,199	0	35,750	31,171	35,750	X	0.2037	=	$7,283		
4,157,199	4,188,876	0	35,750	31,677	35,750	X	0.1895	=	$6,775		
4,188,876	4,221,067	0	35,750	32,191	35,750	X	0.1763	=	$6,302		
4,221,067	4,253,779	0	35,750	32,713	35,750	X	0.1640	=	$5,862		
4,253,779	4,287,023	0	35,750	33,243	35,750	X	0.1525	=	$5,453		
4,287,023	4,320,806	0	35,750	33,783	35,750	X	0.1419	=	$5,073		
4,320,806	4,355,136	0	35,750	34,331	35,750	X	0.1320	=	$4,719		
4,355,136	4,390,024	0	35,750	34,887	35,750	X	0.1228	=	$4,390		
4,390,024	0	0		35,453	4,425,477	X	0.1142	=	$505,483		
									$923,620	=PV of debt service payments at market rate	
									$3,575,000	=Initial principal amount	
									$2,651,380	=Prospective value of below market financing	
							Rounded		**$2,700,000**		

The total present value of the HDC Second Mortgage loan estimated by discounting the savings in interest costs over the term of the loan is **$2,700,000**.

BELOW MARKET FINANCING: HPD THIRD MORTGAGE
$3,575,000 BOND AMOUNT
CASH EQUIVALENCY TEST

Beginning Balance	Ending Balance	Amortization Schedule @0.0%	Interest Accrued @2.61%	Total Payment	X	PVIF@ 7.50%		Present Value of below-market debt service payments
3,575,000	3,575,000	0	94,432	0	X	0.9302	=	$0
3,669,432	3,766,358	0	96,926	0	X	0.8653	=	$0
3,766,358	3,865,844	0	99,486	0	X	0.8050	=	$0
3,865,844	3,967,959	0	102,114	0	X	0.7488	=	$0
3,967,959	4,072,770	0	104,812	0	X	0.6966	=	$0
4,072,770	4,180,351	0	107,580	0	X	0.6480	=	$0
4,180,351	4,290,772	0	110,422	0	X	0.6028	=	$0
4,290,772	4,404,111	0	113,339	0	X	0.5607	=	$0
4,404,111	4,520,443	0	116,332	0	X	0.5216	=	$0
4,520,443	4,639,849	0	119,405	0	X	0.4852	=	$0
4,639,849	4,762,408	0	122,559	0	X	0.4513	=	$0
4,762,408	4,888,205	0	125,797	0	X	0.4199	=	$0
4,888,205	5,017,324	0	129,119	0	X	0.3906	=	$0
5,017,324	5,149,854	0	132,530	0	X	0.3633	=	$0
5,149,854	5,285,885	0	136,031	0	X	0.3380	=	$0
5,285,885	5,425,509	0	139,624	0	X	0.3144	=	$0
5,425,509	5,568,821	0	143,312	0	X	0.2925	=	$0
5,568,821	5,715,919	0	147,098	0	X	0.2720	=	$0
5,715,919	5,866,902	0	150,983	0	X	0.2531	=	$0
5,866,902	6,021,873	0	154,971	0	X	0.2354	=	$0
6,021,873	6,180,938	0	159,065	0	X	0.2190	=	$0
6,180,938	6,344,204	0	163,266	0	X	0.2037	=	$0
6,344,204	6,511,783	0	167,579	0	X	0.1895	=	$0
6,511,783	6,683,788	0	172,005	0	X	0.1763	=	$0
6,683,788	6,860,337	0	176,549	0	X	0.1640	=	$0
6,860,337	7,041,550	0	181,212	0	X	0.1525	=	$0
7,041,550	7,227,549	0	185,999	0	X	0.1419	=	$0
7,227,549	7,418,461	0	190,912	0	X	0.1320	=	$0
7,418,461	7,614,416	0	195,955	0	X	0.1228	=	$0
7,614,416	0	0	201,131	7,815,547	X	0.1142	=	$892,700

	$892,700	=PV of debt service payments at market rate
	$3,575,000	=Initial principal amount
	$2,682,300	=Prospective value of below market financing
Rounded	**$2,700,000**	

The total present value of the HPD accrued interest loan estimated by discounting the savings in interest costs over the term of the loan is **$2,700,000**.

BELOW MARKET FINANCING: OUR SPACE CAPITAL SUBSIDY LOAN $2,240,000 BOND AMOUNT CASH EQUIVALENCY TEST								
Beginning Balance	Ending Balance	Amortization Schedule @0.0%	Interest Accrued @1.0%	Total Payment	X	PVIF@ 7.50%		Present Value of below-market debt service payments
2,240,000	2,240,000	0	22,503	0	X	0.9302	=	$0
2,262,503	2,285,232	0	22,729	0	X	0.8653	=	$0
2,285,232	2,308,189	0	22,957	0	X	0.8050	=	$0
2,308,189	2,331,377	0	23,188	0	X	0.7488	=	$0
2,331,377	2,354,798	0	23,421	0	X	0.6966	=	$0
2,354,798	2,378,454	0	23,656	0	X	0.6480	=	$0
2,378,454	2,402,348	0	23,894	0	X	0.6028	=	$0
2,402,348	2,426,482	0	24,134	0	X	0.5607	=	$0
2,426,482	2,450,859	0	24,376	0	X	0.5216	=	$0
2,450,859	2,475,480	0	24,621	0	X	0.4852	=	$0
2,475,480	2,500,348	0	24,869	0	X	0.4513	=	$0
2,500,348	2,525,467	0	25,118	0	X	0.4199	=	$0
2,525,467	2,550,837	0	25,371	0	X	0.3906	=	$0
2,550,837	2,576,463	0	25,626	0	X	0.3633	=	$0
2,576,463	2,602,346	0	25,883	0	X	0.3380	=	$0
2,602,346	2,628,489	0	26,143	0	X	0.3144	=	$0
2,628,489	2,654,895	0	26,406	0	X	0.2925	=	$0
2,654,895	2,681,566	0	26,671	0	X	0.2720	=	$0
2,681,566	2,708,505	0	26,939	0	X	0.2531	=	$0
2,708,505	2,735,714	0	27,210	0	X	0.2354	=	$0
2,735,714	2,763,197	0	27,483	0	X	0.2190	=	$0
2,763,197	2,790,956	0	27,759	0	X	0.2037	=	$0
2,790,956	2,818,994	0	28,038	0	X	0.1895	=	$0
2,818,994	2,847,314	0	28,320	0	X	0.1763	=	$0
2,847,314	2,875,918	0	28,604	0	X	0.1640	=	$0
2,875,918	2,904,809	0	28,891	0	X	0.1525	=	$0
2,904,809	2,933,990	0	29,182	0	X	0.1419	=	$0
2,933,990	2,963,465	0	29,475	0	X	0.1320	=	$0
2,963,465	2,993,236	0	29,771	0	X	0.1228	=	$0
2,993,236	0	0	30,070	3,023,306	X	0.1142	=	$345,325

	$345,325	=PV of debt service payments at market rate
	$2,240,000	=Initial principal amount
	$1,894,675	=Prospective value of below market financing
Rounded	**$1,900,000**	

The total present value of the Our Space Capital Subsidy accrued interest only loan estimated by discounting the savings in interest costs over the term of the loan is **$1,900,000**.

The total present value of the various mortgages is $**7,800,000**

VALUATION OF LOW INCOME TAX CREDITS

According to information from the developer, the subject development will generate federal low income housing tax credits (LIHTC). We have been provided with an estimate for the annual tax credit amount for each allocation (state and federal). The total annual federal tax credit amount is $873,271. This results in total tax credit allocation of $8,732,710 for the federal credits over a 10-year period.

As of the date of value, the developer indicates that they have entered into an agreement for the tax credits. The information provided indicated that the pricing for the credits was established at $1.165 per $1.00 of federal tax credit.

The following is a description of the steps typically taken to calculate the amount of tax credits that will be generated for a development such as the subject property:

- The total construction/ rehabilitation costs for a development are analyzed and eligible costs are used in the tax credit calculation.
- HUD has designated certain areas as Difficult Development Areas. These areas have high costs of land, construction, and utilities. The subject site is located within a designated area. The rehabilitation and construction costs for such projects receive a 30.0 percent bonus, which represents the Difficult Development Area bonus. Acquisition costs are not eligible for this bonus. The resultant amount represents the total equity basis for the tax credits.
- Next the property's qualified tax credit basis is then multiplied by the AFR (Applicable Federal Rate). The AFR is published each month by the IRS for Low Income Tax Credit Buildings. The May 2015 AFR is 2.30 percent. This results in an annual Low Income Housing Tax Credit Allocation.
- The Low Income Housing Tax Credits are allocated over a 10-year period, so multiplying the annual amount by 10 results in the overall tax credit allocation for the phase. Although the tax credits are allocated over a 10-year period, they are earned over a 15-year compliance period.

METHODOLOGY

The Office of the Currency (OCC), Federal Deposit Insurance Corporation, Federal Reserve Board and Office of Thrift Supervision issued a joint policy statement entitled Appraised Market Value Clarified for Affordable Housing Loans. This statement by the major financial institution regulatory agencies reiterates much of the information in Advisory Opinion AO-14 of USPAP, which provides guidance on valuation of affordable housing, but more importantly it compels lenders to request appraisers to consider affordable housing subsidies, restrictions and financial assistance in affordable housing appraisals. As part of the "bundle" of benefits expected to be received, we have estimated the present value of the low income housing tax credits that are partially allocable to the development.

Valuing the tax credit in isolation of the investment objectives of the specific investors in the deal will provide a value, which is merely a guide to the contribution of the equity fee value to the value of the entire investment. However, we have been asked to isolate the tax credit value outside the specific financing, depreciation and deductible loss benefits available to equity investors in this specific deal.

Finding the "market value" of the tax credits thus becomes a less complicated task since, outside these secondary benefits, investors usually price the tax credit in terms of a direct percentage of the state allocation or a yield rate which discounts the annual allocations over a ten-year period.

Because our LIHTC sales transaction data (transactions summarized in a table which follows) contains only the lump sum payment to the developer, the schedule of payments and the gross tax credit amount, we can only consider the impact on value from the Low Income Housing Tax Credit outside the depreciation and deductible loss benefits available to equity investors in the transactions recorded.

A key portion of the OCC statement discussed above is, “The agencies’ appraisal regulations permit the appraiser to include in the market value estimate any significant financial assistance that would survive the sale or foreclosure, such as the value of low-income housing tax credits, LIHTC, subsidies and grants.” The distinction of surviving sale or foreclosure indicates that the regulatory agencies do not want appraisers deriving value from precarious sources or an extension of a grant or government assistance contract which may be conjectural.

An example of this is the syndication value ensuing from the entire packaging of the low-income housing tax credits. The value of the LIHTC is usually directly related to investor pricing, and the LIHTC can pass through to a lender in the case of foreclosure. However, depreciation losses, projected returns from the property sale and long term cash flow projections specific to the structuring of a limited partnership are not items of significant financial assistance “that would survive the sale or foreclosure” of the asset.

The losses attributable to the financing and the structure of the investment are peripheral to the tax credits and would not survive foreclosure. A lender can therefore not use those losses as security for a loan.

LIHTC Transaction Database

We will provide two sets of “market derived” data indicators that will guide us in our estimate of the present value of the tax credits.

1. Actual pricing ratios from local transactions;
2. Current investor and syndicator pricing ratios and yield rates based on a review of industry publications and interviews with investors.

The charts below convey the data associated with these different valuation techniques. Discussions with developers, investors and syndicators indicate that pricing variations depend on a number of key variables of which the most important are the current level of competitive pricing, length of time between investor closing and investors receiving tax credits, the duration of the pay-in period (based on the size of the deal), variations in tax benefits based on the specifics of the deal and finally, perceived project feasibility.

Current Pricing Ratios

The chart on the following page summarizes local area LIHTC transactions.

LOW INCOME HOUSING TAX CREDIT TRANSACTIONS				
Location	Project Type	Year	LIHTC Allocation	Purchase Price per $1 Allocation
Rogers Avenue, Brooklyn, NY	New construction - 123 units	2015	$20,108,050	$1.1500
Multiple Properties, Bronx, NY	Renovation - 270 units	2015	$15,725,000	$1.0500
Morris Avenue, Bronx, NY	New Construction - 94 units	2015	$13,502,300	$1.1400
Multiple Properties, Bronx, NY	Renovation - 193 units	2015	$16,509,599	$1.0500
DeSales Street, Brooklyn, NY	New construction - 76 units	2015	$14,020,610	$1.0800
Niagra Street, Buffalo, NY	New construction - 48 units	2014	$10,507,200	$0.9550
Rocky Point Road, Suffolk County, NY	New construction - 123 units	2014	$15,444,790	$1.1450
Boone Avenue, Bronx, NY	New construction - 237 units	2013	$16,085,560	$1.1600
Webster Avenue, Bronx, NY	New construction - 115 units	2013	$12,042,423	$1.0800
Herkimer Street, Brooklyn, NY	New construction - 54 units	2012	$10,843,470	$0.9700
East 99th Street & Second Avenue, NY, NY	New construction - 176 units	2012	$19,653,860	$1.0800
Albany Avenue, Amityville, NY	New construction - 60 units	2012	$13,200,000	$1.0150
90th Avenue, Queens, NY	New construction - 65 units	2012	$16,059,981	$1.0800
Parsons Boulevard (Low-income portion)	New construction - 70 units	2011	$10,626,417	$0.8400
Third Avenue, Bronx, NY	New construction - 104 units	2011	$13,469,315	$1.0000
Bruckner Boulevard, Bronx, NY	New construction - 419 units	2011	$44,760,392	$0.9000
Jamaica Avenue, Queens, NY	New construction - 65 units	2010	$13,149,430	$0.9300
Jamaica Avenue, Queens, NY	New construction - 117 units	2010	$13,106,980	$0.9500
Dumont Avenue, Brooklyn, NY	New construction - 176 units	2009	$19,443,683	$0.8050
East 122nd Street, NY, NY	New construction - 23 units	2009	$7,343,200	$0.7100
White Plains Road, Bronx, NY	New construction - 74 units	2007	$8,112,631	$0.9500
Tiffany Place, Bronx, NY	New construction - 84 units	2007	$9,165,050	$1.0100
Ogden Avenue, Bronx, NY	New construction - 130 units	2005	$8,824,760	$0.8700
Nagle Avenue, Bronx, NY	New construction - 100 units	2005	$7,278,170	$0.8700
Clay Avenue, Bronx, NY	New construction - 97 units	2005	$7,420,130	$0.8700

Pricing for federal tax credits in New York City developments range between $0.71 to $1.16 per $1.00 of credit.

Investor Survey Update

The Housing Tax Credit Monitor published by Ernst & Young, LLP and the Tax Credit Advisor indicate the following prices for tax credits.

CORPORATE TAX CREDIT FUND WATCH		
Tax Credit Equity Fund	Expected Size	Avg. Price/$1 Tax Credit
Alliant Capital - ATCF 83	$125,000,000	N/A
Boston Capital - BCCTC Fund XL	$100,000,000	$0.9600
City Real Estate Advisors, Inc. - CREA Corporate Tax Credit Fund 43, LLC	$200,000,000	$0.9700
Community Affordable Housing Equity Corp. - Community Equity Fund XX, LP	$150,000,000	$0.9100
Enterprise Community Investment - Enterprise Housing Partners New York Fund I	$60,000,000	N/A
First Sterling Financial, Inc. - Sterling Corporate Partners Fund 54, LP	$100,000,000	$0.9300
Great Lakes Capital Fund - Great Lakes Capital Fund for Housing Limited Partnership 30	$130,000,000	N/A
Massachusetts Housing Investment Corporation - MHEF XXII	$60,000,000	$0.9800
Midwest Housing Equity Group, Inc. - MHEG Fund 44, LP	$150,000,000	N/A
PNC Tax Credit Capital - PNC Real Estate Tax Credit Institutional Fund 58, LLC	$125,000,000	$0.9500
Raymond James Tax Credit Funds - RJTCF 41	$150,000,000	$0.9200
RBC Capital Markets - RBC Tax Credit Equity National Fund - 21, LP	$127,000,000	$0.9375
Red Stone Equity Partners - Red Stone 2015 National Fund, LP	$125,000,000	N/A
Stratford Capital Group, LLC - Stratford Fund XVII, LP	$125,000,000	N/A
The Richman Group Affordable Housing Corp. - USA 106	$150,000,000	N/A
WNC & Associates, Inc. - WNC Institutional Tax Credit Fund 40 LP	$127,000,000	$0.9200
Source: Tax Credit Advisor, "Corporate Tax Credit Fund Watch", April 2015		

The fund watch indicates rates that range between $0.91 and $0.98 per $1.00 of credit. It is important to note that the fund watch represents national funds investing in all areas of the country. The indicated range is below that of the transactions from New York City, which is not atypical. The Community Reinvestment Act (CRA) of 1977 was designed to encourage commercial banks and savings associations to meet the needs in all segments of their communities, including low- and moderate-income neighborhoods. As part of the regulations, these institutions are required to reinvest certain amounts of funds into these communities in their area. Because of the large financial and banking sector in New York City, there is an increased amount of funds that need to be reinvested for these institutions to meet the requirements. As such, the prices these institutions are willing to pay for tax credits are higher than in other areas of the country.

Cohn Reznick, which is a national accounting, tracks the tax credit market. In its most recent survey of investors, it found that pricing in the tax credit market is “spiking.” Average pricing as detailed in the survey on the prior page is $0.94 per $1.00 of tax credit. This is nearly 6 percent higher than the average from the prior year and 4.4 percent higher than in October 2014. This sharp increase in pricing is being influenced by the yields of the credits. Investors appear to be moving quickly to make equity contributions before yields fall further.

Conversations with market participants, including major financial institutions and insurance companies indicate strong reductions in the discount for tax credits in the current market due to various factors that have created uncertainty in the equity market. The largest of which is concern that Fannie Mae may significantly curtail its new investment in housing credit, and that Freddie Mac may as well. We considered this in the final determination of the value for the LIHTC.

As indicated in the chart of LIHTC transactions in New York City, there have been a number of transactions since 2012. We are familiar with the pricing for 10 tax credit transactions since 2012. These transactions indicate pricing of $0.71 to $1.16 per $1.00 of federal tax credit and indicate an average of $0.99 per $1.00 of federal tax credit. The developer’s achieved pricing with a tax credit syndicator is $1.165 per $1.00 of federal tax credit is at the top of the range indicated by comparables. However, given the upward trajectory in pricing, we believe the pricing to be reasonable. Using a unit price of $1.165 per $1.00 of federal tax credits indicates a value of **$10,200,000**, rounded. The following chart details our tax credit calculations.

LOW INCOME HOUSING TAX CREDITS		
Federal Tax Credits		
Annual Potential Credit		$873,271
Total Tax Credit allocation (10 Years)	10	$8,732,710
Value of Tax Credits per $1.00 of Tax Credit	$1.165	
Value of Tax Credits		**$10,173,607**
Rounded		**$10,200,000**

PROSPECTIVE MARKET VALUE – MARKET RATE SCENARIO – HYPOTHETICAL CONDITION

At the request of the client, we have provided a prospective market value of the subject property as if operated as market rate housing. In this scenario, the property will not have restrictions on the rental rates to be charged to tenants. Additionally, because the property will consist of market rate housing, there will not be the same intangible assets as in the affordable housing scenario. Therefore, the 420c tax abatement, sub-market financing, and low-income housing tax credits are not part of the valuation in this scenario. However, the ICAP tax exemption is still included in this scenario.

Similar to the affordable housing scenario, we have used the direct capitalization methodology.

Earlier, we presented residential market rental rate comparables in the surrounding areas and concluded to a market rent of $55 per square foot. The income included in the cash flow has been developed upon a fiscal year beginning December 1, 2017 assuming stabilized occupancy. Our rental rate conclusion has not been grown through the construction and absorption period. Total income in Year 1 starting December 1, 2017, from residential sources is $2,048,200. Calculation of year one revenues is as follows.

RESIDENTIAL ABSORPTION ANALYSIS							
Units Leased	Lease Up Period	Area SF	Rent/SF Upon Stabilization	Annual Rent FYB @ Stabilization	Concessions Free Rent	Revenue Loss Free Rent	Estimated Lost Revenue During Lease-up
16	Units Pre-leased	11,034	$55.00	$606,874	1 month	$0	$0
10	Units Leased Month 1	6,896	$55.00	$379,296	1 month	$31,608	$31,608
10	Units Leased Month 2	6,896	$55.00	$379,296	1 month	$31,608	$63,216
10	Units Leased Month 3	6,896	$55.00	$379,296	1 month	$31,608	$94,824
8	Units Leased Month 4	5,517	$55.00	$303,437	1 month	$25,286	$101,146
54	Totals	**37,240**		**$2,048,200**		**$120,110**	**$290,794**

Additionally, we have increased the miscellaneous income to a level that would be commensurate with a market rate asset. In the affordable housing scenario, we utilized a level of miscellaneous income of $5,000. Affordable housing operators are not incentivized to charge residents for extra costs for amenities, such as storage, valet services, or for miscellaneous fees (i.e., lost keys, lock-out fees, lock replacement, application fees, pet fees, etc.). In a market rate scenario, an ownership entity would charge tenants higher levels of fees. As such, we have utilized miscellaneous income of $10,000.

We have utilized the same market rental rates for the commercial components and parking components that were utilized in the affordable housing scenario

We have used similar expense conclusions as used in the affordable housing scenario with the exception of real estate taxes reserves. We have utilized a lower reserve for replacement of $150 per unit per year. This amount is more in line with market rate housing in New York City. Similar to the affordable housing scenario, we have not grown our expense conclusions through the construction and absorption period. Our conclusions for real estate taxes were detailed in the Real Property Taxes and Assessments section of the report.

Additionally, we have decreased the capitalization rate by 50 basis points, which develops an overall capitalization rate that is appropriate for market rate rental buildings in the subject's local area.

Direct Capitalization Method

The chart on the following page summarizes our estimate of income and expenses for the first year of our analysis.

SUMMARY OF REVENUE AND EXPENSES				
	Year One			
	Total	Per Unit	Per SF	% of EGI
POTENTIAL GROSS REVENUE				
Residential Rent	$2,048,200	$37,930		
Commercial Income	$220,875	$4,090		
Parking Income	$33,600	$622		
Laundry	$5,500	$102		
Miscellaneous	$10,000	$185		
TOTAL POTENTIAL GROSS REVENUE	$2,318,175	$42,929		
Vacancy and Collection Loss	($74,945)	($1,388)		
EFFECTIVE GROSS REVENUE	$2,243,230	$41,541		
OPERATING EXPENSES				
Real Estate Taxes	$487,444	$8,863	$8.05	21.73%
Insurance	$36,344	$661	$0.60	1.62%
Salary and Benefits	$54,516	$991	$0.90	2.43%
Utilities	$90,860	$1,652	$1.50	4.05%
Water and Sew er	$54,516	$991	$0.90	2.43%
Repairs and Maintenance	$60,573	$1,101	$1.00	2.70%
General and Administrative	$12,115	$220	$0.20	0.54%
Legal and Professional Fees	$24,229	$441	$0.40	1.08%
Painting and Supplies	$8,250	$150	$0.14	0.37%
Management	$39,372	$716	$0.65	1.76%
Reserves	$19,316	$351	$0.32	0.86%
Miscellaneous	$3,029	$55	$0.05	0.14%
TOTAL EXPENSES	**$890,562**	**$16,192**	**$14.70**	**39.70%**
NET OPERATING INCOME	**$1,352,668**	**$25,349**	**$22.33**	**60.30%**

In the Direct Capitalization Method, we developed an opinion of market value by dividing net operating income by 4.50 percent overall capitalization rate. Our conclusion via the Direct Capitalization Method is as follows:

DIRECT CAPITALIZATION METHOD			
Prospective Value Upon Stabilization			
NET OPERATING INCOME	**$1,352,668**	**$25,349**	**$22.33**
Sensitivity Analysis (0.50% OAR Spread)	**Value**	**Per Unit**	**Per SF**
Based on Low -Range of 4.00%	$33,816,694	$614,849	$558.28
Based on Most Probable Range of 4.50%	$30,059,283	$546,532	$496.25
Based on High-Range of 5.00%	$27,053,355	$491,879	$446.62
Reconciled As Is Value	**$30,059,283**		
Rounded to nearest $100,000	**$30,100,000**	**$547,273**	**$496.92**

Prospective Market Value Conclusion

We have therefore concluded that the prospective market value of the subject property as indicated by the direct capitalization method is **$30,300,000,** which is inclusive of the present value of the ICAP tax exemption.

Prospective Market Value Upon Completion

The prospective market value was developed upon stabilization, assuming the hypothetical condition that the building is stabilized. Previously, we have concluded to a 4-month lease up period, post completion.

We have projected the remaining marketing costs to be $10,000 rounded, for the development. This is in-line with what is generally exhibited throughout the marketplace for similar developments. It considers the subject as completed, with benefit to the extensive marketing costs expended prior to completion. Carrying costs for the unleased units would be minimal, and we have included an estimate of $10,000 for this expense. In addition, we have included commissions on the residential units to be $170,683, rounded. This was derived based upon commissions being set at one month's rent for each market rate unit required to be leased, after completion, which totals 54 apartments. Although these commission expenses may not be granted directly to brokers, it will cover the costs for any in-house leasing personnel and overhead.

The lost rental revenue was derived based upon the absorption of market rate units over a 3-month period. Based upon the average apartment size of 690 square feet, rounded, 30 percent of rentable area leased upon completion, and the average rental rate of $55 per square foot, the lost revenue is calculated below:

RESIDENTIAL ABSORPTION ANALYSIS							
Units Leased	Lease Up Period	Area SF	Rent/SF Upon Stabilization	Annual Rent FYB @ Stabilization	Concessions Free Rent	Revenue Loss Free Rent	Estimated Lost Revenue During Lease-up
16	Units Pre-leased	11,034	$55.00	$606,874	1 month	$0	$0
10	Units Leased Month 1	6,896	$55.00	$379,296	1 month	$31,608	$31,608
10	Units Leased Month 2	6,896	$55.00	$379,296	1 month	$31,608	$63,216
10	Units Leased Month 3	6,896	$55.00	$379,296	1 month	$31,608	$94,824
8	Units Leased Month 4	5,517	$55.00	$303,437	1 month	$25,286	$101,146
54	Totals	**37,240**		**$2,048,200**		**$120,110**	**$290,794**

To these various estimates, we added a contingency of $50,000 to account for any unforeseen costs incurred during the absorption period. The total developer's costs are therefore summarized in the chart below.

LEASING COSTS	
Residential Commissions/Incentives	$120,110
Residential Lost Rental Revenue	$290,794
Residenital Lost Revenue Free Rent	$120,110
Commercial Component Leasing Commissions	$123,241
Commercial Component Lost Rental Revenue	$73,625
Commercial Component Lost Revenue Free Rent	$55,219
Contingency	$50,000
Total Costs	**$833,100**
Rounded to	**$850,000**

The prospective market value upon completion of the subject property's leased fee interest is estimated by deducting the costs that the developer will expend to reach stabilized occupancy. The prospective market value of the fee simple interest upon stabilization was concluded to be $30,300,000. The prospective market value estimate upon completion is estimated as follows.

Prospective Market Value Upon Stabilization	$30,300,000
Less: Costs to Reach Stabilization	$ 850,000
Prospective Market Value Upon Completion	$29,450,000

CONCLUSION

Therefore, we have concluded that the prospective market value of the subject property’s fee simple interest upon completion, anticipated to be July 1, 2017, will be **$29,450,000**. This prospective market value is inclusive of the prospective market value of the ICAP tax abatement.

RECONCILIATION AND FINAL VALUE OPINION

VALUATION METHODOLOGY REVIEW AND RECONCILIATION

This appraisal employs the Cost Approach, Sales Comparison Approach, and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary by market participants. We have utilized the Sales Comparison Approach only in the market rate scenario of our analysis. As an affordable housing development, the majority of the subject building's prospective market value is derived from intangible benefits resulting from various sources of submarket financing as well as tax abatements and low-income housing tax credits. There are no sales of physically nor economically similar buildings to which a meaningful comparison can be made as an affordable housing development. As such, the Sales Comparison Approach is not applicable in this scenario. However, we have utilized the Sales Comparison Approach in our analysis of the subject property under the hypothetical condition that it is operated as market rate housing. We have utilized the Income Capitalization Approach to determine the prospective market value of the subject property, as well as the value of the intangible benefits as this most closely resembles the methodology used by market participants.

The approaches indicated the following:

VALUATION INDICES	Market Value As Is	Prospective Value Upon Completion	Prospective Value Upon Stabilization
COST APPROACH			
Land (As-If Vacant):	$2,200,000	N/A	N/A
Land (As-Is):	$1,950,000	N/A	N/A
Indicated Value:	N/A	$24,900,000	N/A
SALES COMPARISON APPROACH			
Market Rate Scenario			
Indicated Value:	N/A	$28,350,000	$29,200,000
INCOME CAPITALIZATION APPROACH			
Affordable Scenario			
Direct Capitalization Indicated Value (inclusive of all intangible components):	N/A	$24,450,000	$24,900,000
Market Rate Scenario			
Indicated Value:	N/A	$29,450,000	$30,300,000
VALUE OF INTANGIBLE COMPONENTS			
420c Tax Abatement:	N/A	N/A	$4,200,000
ICAP Tax Abatement:	N/A	N/A	$200,000
Low Income Housing Tax Credits:	$10,200,000	N/A	N/A
Below Market Financing:	$7,800,000	N/A	N/A
EXPOSURE TIME			
Exposure Time:		6 to 9 Months	
Marketing Time:		6 to 9 Months	

The Cost Approach has been utilized in this report. The Cost Approach requires an estimation of the cost to reproduce or replace the proposed improvements of the property. From this cost new of improvements, accrued depreciation from physical, functional and economic sources is deducted to arrive at a cost less depreciation. The estimated land value is then added to arrive at total value. The developer has provided a construction budget for the overall development costs of the project. Based on the conclusion contained herein, the development is not economically feasible based on the developer's costs. While the developers' budget is well detailed, the construction costs are much higher than indicated by the comparables of other affordable housing developments in the City. This is also reflected in the high developer's fee, which is either significantly lower or waived altogether, reported in the developer's budget. In addition, the developer may be motivated by a charter to provide affordable housing in the area. We have assumed that a new development on this site would have lower overall costs. We have placed significant reliance on the comparables and Marshall Valuation Service in our reconciliation of construction costs used in the Cost Approach. The Cost Approach was not accorded any weight in the final reconciliation as investors in this market do not use this approach in analyzing properties such as the subject.

The Sales Comparison Approach consists of the collection and analysis of data relevant to actual sales of properties deemed comparable to the subject property. Properties that have been sold are compared to the property under appraisal and adjustments to the sale prices are made based on differences between the subject property and the comparable sales. Adjustments are typically made for location, date of sale, building size, quality of construction and other relevant characteristics. As an affordable housing development, the majority of the subject property's prospective market value is derived from intangible benefits resulting from various the 420c tax exemption and low-income housing tax credits. There are no sales of physically nor economically similar buildings to which a meaningful comparison can be made to the property as an affordable housing development. As such, the Sales Comparison Approach is not applicable. However, we have used the Sales Comparison Approach in the market rate scenario for the subject property.

The Income Capitalization Approach converts anticipated future cash flows into a present value estimate. This method is based on the premise that the motivation for a property purchase is a function of the anticipation of future benefits to be gained from the investment. The potential purchaser, in essence, will trade the purchase price of the property for a projected income stream to be received in the future. Conversion of the anticipated cash flow into a value indication commonly occurs in the form of discounted cash flow analysis or application of a single capitalization rate to a stabilized income estimate. We used the direct capitalization method to develop value estimates for the subject property based upon both an affordable housing and market rate rental scenarios.

MARKET VALUE AS IS

Based on our Appraisal as defined by the *Uniform Standards of Professional Appraisal Practice*, we have developed an opinion that the Market Value of the Fee Simple Interest of the subject property, subject to the assumptions and limiting conditions, certification, extraordinary assumptions and hypothetical conditions, if any, and definitions, "As-Is" on October 29, 2015, was:

ONE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS

$1,950,000

MARKET VALUE AS-IF VACANT

Based on our Appraisal as defined by the *Uniform Standards of Professional Appraisal Practice*, we have developed an opinion that the Market Value of the Fee Simple Interest of the subject property, subject to the assumptions and limiting conditions, certification, extraordinary assumptions and hypothetical conditions, if any, and definitions, "As-Is" on October 29, 2015, was:

TWO MILLION TWO HUNDRED THOUSAND DOLLARS

$2,200,000

AFFORDABLE HOUSING SCENARIO

PROSPECTIVE MARKET VALUE UPON COMPLETION

Furthermore, we have developed an opinion that the Prospective Market Value of the Leased Fee Interest of the subject property, as of July 1, 2017, the prospective date of completion, assuming the property is operated under the auspices of the low-income housing tax credit regulations, and subject to the assumptions and limiting conditions, certification, extraordinary and hypothetical conditions, if any, and definitions, with conditions prevailing as of October 29, 2015, will be:

TWENTY FOUR MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS

$24,450,000

PROSPECTIVE MARKET VALUE UPON STABILIZATION

In addition, we have formed an opinion that the Prospective Market Value of the Leased Fee Interest of the subject property, as of December 1, 2017, the prospective date of stabilization, assuming the property is operated under the auspices of the low-income housing tax credit regulations, and subject to the assumptions and limiting conditions, certification, extraordinary assumptions and hypothetical conditions, if any, and definitions, with conditions prevailing as of October 29, 2015, will be:

TWENTY FOUR MILLION NINE HUNDRED THOUSAND DOLLARS

$24,900,000

The prospective market values for the affordable housing scenario reported above are **inclusive** of the prospective market value of the 420c tax abatement, which is estimated to be to be **$4,200,000**, the present value of submarket financing estimated to be **$7,800,000**, and the value of the low income housing tax credit estimated to be **$10,200,000**.

MARKET RATE SCENARIO – HYPOTHETICAL CONDITION

PROSPECTIVE MARKET VALUE UPON COMPLETION

Furthermore, we have developed an opinion that the Prospective Market Value of the Fee Simple Interest of the subject property, as of July 1, 2017, the prospective date of completion, based upon the hypothetical condition that the property is operated as market rate rental housing, and subject to the assumptions and limiting conditions, certification, extraordinary and hypothetical conditions, if any, and definitions, with conditions prevailing as of October 29, 2015, will be:

TWENTY NINE MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS

$29,450,000

Prospective Market Value Upon Stabilization

In addition, we have formed an opinion that the Prospective Market Value of the Fee Simple Interest of the subject property, as of December 1, 2017, the prospective date of stabilization, based upon the hypothetical condition that the property is operated as market rate rental housing, and subject to the assumptions and limiting conditions, certification, extraordinary assumptions and hypothetical conditions, if any, and definitions, with conditions prevailing as of October 29, 2015, will be:

THIRTY MILLION THREE HUNDRED THOUSAND DOLLARS

$30,300,000

EXPOSURE TIME AND MARKETING TIME

Based on our review of national investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately six to nine (6-9) months. This assumes an active and professional marketing plan would have been employed by the current owner.

We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our value conclusion represents a price achievable within 6 to 9 months.

INSURABLE VALUE

At the Client's request, we have provided an insurable value estimate. The estimate is based on figures derived from the Marshall and Swift (M&S) Commercial Cost Explorer and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, we make no warranties regarding the accuracy of this estimate.

Insurable Value is directly related to the portion of the real estate that is covered under the asset's insurance policy. We have based this opinion on the building's replacement cost new (RCN) which has no direct correlation with its actual market value.

We developed an opinion of RCN using the Calculator Method developed by Marshall & Swift tempered by our experience with similar property types in the City. Earlier in the Cost Approach, we determined the replacement cost new was $21,000,000, which has been used in our analysis.

The RCN is the total construction cost of a new building with the same specifications and utility as the building being appraised, but built using modern technology, materials, standards and design. For insurance purposes, RCN includes all direct costs necessary to construct the building improvements. Items that are not considered include land value, site improvements, indirect costs, depreciation and entrepreneurial profit. To develop an opinion of insurable value, exclusions for below-grade foundations and architectural fees must be deducted from RCN.

The Insurable Valuation summary is presented below:

INSURABLE VALUE			
Insurable Value As Is			
Replacement Cost New (RCN)	**GBA (SF)**	**$/GBA**	**Sub-Total**
Adjusted Base Building Cost			$21,000,000
Less: Insurance Exclusions			
Foundations Below Grade		-5.00%	
Piping Below Grade (Negligible)		0.00%	
Architect Fees		-6.00%	
Total Insurance Exclusion Adjustment		-11.00%	($2,310,000)
Insurable Value			$18,690,000
Rounded to nearest $100,000			**$18,700,000**

ASSUMPTIONS AND LIMITING CONDITIONS

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor C&W shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of C&W any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of C&W is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without C&W's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by C&W in writing to use or rely thereon, hereby agrees to indemnify and hold C&W, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. C&W assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. C&W recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and C&W make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. C&W recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. C&W recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of C&W, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and C&W, its employees and the Appraiser have no liability to such recipients. C&W disclaims any and all liability to any party other than the party that retained C&W to prepare the Report.
- Any estimate of insurable value, if included within the agreed upon scope of work and presented within this Report, is based upon figures derived from a national cost estimating service and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, C&W strongly recommends that the Intended Users obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, C&W makes no warranties regarding the accuracy of this estimate.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- We did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

CERTIFICATION OF APPRAISAL

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Nicholas Doray and John T. Feeney, Jr. made a personal inspection of the property that is the subject of this report. Robert S. Nardella, MAI, MRICS did not inspect the property that is the subject of this report.
- The signatories have not performed a previous appraisal, or provided other services as an appraiser, or in any other capacity, within the three years prior to this assignment of the subject site within the three years prior to accepting this assignment.
- No one provided significant real property appraisal assistance to the persons signing this report.
- As of the date of this report, and Robert S. Nardella, MAI, MRICS have completed the continuing education program of the Appraisal Institute.
- As of the date of this report, Nicholas Doray and John T. Feeney, Jr. has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.
-

Nicholas Doray
Associate Director
NY Licensed Appraiser Assistant
License No. 48000047725

John T. Feeney, Jr.
Executive Director
NY Certified General Appraiser
License No. 46000028659

Robert S. Nardella, MAI, MRICS
Executive Managing Director
NY Certified General Appraiser
License No. 46000004620

ADDENDA CONTENTS

ADDENDUM A: GLOSSARY OF TERMS & DEFINITIONS
ADDENDUM B: CLIENT SATISFACTION SURVEY
ADDENDUM C: ENGAGEMENT LETTER
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ADDENDUM A:
GLOSSARY OF TERMS & DEFINITIONS

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Fifth Edition (2010), published by the Appraisal Institute, Chicago, IL, as well as other sources.

AS IS MARKET VALUE

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Proposed Interagency Appraisal and Evaluation Guidelines, OCC-4810-33-P 20%)

CASH EQUIVALENCY

An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.

DEPRECIATION

1. In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2. In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method.

EXPOSURE TIME

1. The time a property remains on the market. 2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. See also marketing time.

FEE SIMPLE ESTATE

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

HYPOTHETICAL CONDITIONS

A hypothetical condition is “that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

LEASED FEE INTEREST

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

MARKET VALUE

As defined in the Agencies’ appraisal regulations, the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions

granted by anyone associated with the sale.[1]

MARKETING TIME

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) See also exposure time.

PROSPECTIVE OPINION OF VALUE

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

SPECIAL, UNUSUAL, OR EXTRAORDINARY ASSUMPTIONS

Before completing the acquisition of a property, a prudent purchaser in the market typically exercises due diligence by making customary enquiries about the property. It is normal for a Valuer to make assumptions as to the most likely outcome of this due diligence process and to rely on actual information regarding such matters as provided by the client. Special, unusual, or extraordinary assumptions may be any additional assumptions relating to matters covered in the due diligence process, or may relate to other issues, such as the identity of the purchaser, the physical state of the property, the presence of environmental pollutants (e.g., ground water contamination), or the ability to redevelop the property.

[1] "Interagency Appraisal and Evaluation Guidelines." Federal Register 75:237 (December 10, 2010) p. 77472.

ADDENDUM B:
CLIENT SATISFACTION SURVEY

Survey Link: **http://www.surveymonkey.com/s**.aspx?sm=_2bZUxc1p1j1DWj6n_2fswh1KQ_3d_3d&c=15-12002-902997

C&W File ID: **15-12002-902997**

Fax Option: (716) 852-0890

1. Given the scope and complexity of the assignment, please rate the development of the appraisal relative to the adequacy and relevance of the data, the appropriateness of the techniques used, and the reasonableness of the analyses, opinions, and conclusions:

___ Excellent
___ Good
___ Average
___ Below Average
___ Poor

Comments:____

____

____

2. Please rate the appraisal report on clarity, attention to detail, and the extent to which it was presentable to your internal/external users without revisions:

___ Excellent
___ Good
___ Average
___ Below Average
___ Poor

Comments:____

____

____

3. The appraiser communicated effectively by listening to your concerns, showed a sense of urgency in responding, and provided convincing support of his/her conclusions:

___ Not Applicable

___ Excellent
___ Good
___ Average
___ Below Average
___ Poor

Comments:____
____
____

4. The report was on time as agreed, or was received within an acceptable time frame if unforeseen factors occurred after the engagement:

___ Yes
___ No

5. Please rate your overall satisfaction relative to cost, timing, and quality:

___ Excellent
___ Good
___ Average
___ Below Average
___ Poor

Comments:____
____
____

6. Any additional comments or suggestions?

____
____
____
____
____
____
____

7. Would you like a representative of Cushman & Wakefield's National Quality Control Committee to contact you?

___ Yes
___ No

Your Name: ____

Your Telephone Number: ____

Contact Information: Scott Schafer

Managing Director, National Quality Control

(716) 852-7500, ext. 121

ADDENDUM C:
ENGAGEMENT LETTER

Capital One Bank

Date: 10/13/2015

Appraisal Order #: 15-001709-01

Robert S. Nardella
Cushman & Wakefield
1290 Avenue of the Americas
New York, NY 10104

Dear Robert S. Nardella,

This letter will serve as Capital One's engagement of your services with regard to the following property. The specifics of the engagement including the agreed upon fee and delivery date are listed below. The reports must be addressed to the Capital One Job Manager and an electronic copy of the report and invoice MUST be uploaded to the Award record on RIMSCentral http://www.rimscentral.com. Please reference on the invoice an invoice number, invoice date, your Tax ID #, the Capital One Order #, and a Property Reference. Any questions pertaining to this assignment should be addressed with the Capital One contact in RETECHS.

Fee: PER BID AWARD | Due Date: 11/3/2015

Property Location:	337 Berry Street/105 South 5th Street, Brooklyn, NY 11249
Property Type:	Multi-Family - LIHTC Tax Credits
Intended Use	Use - Loan Underwriting Description: The intended use of this appraisal is for loan underwriting and-or credit decisions by Capital One Bank and-or participants
Intended User	User - Capital One Bank Description: The intended users of this report is Capital One Bank and-or affiliates Note: Capital One and two other intended users (see below0
Approaches to Value	Approach - ALL Description: All applicable approaches
Other Requirements	The engaged appraiser must sign the appraisal report unless other prior arrangements are made. Please use the RIMS Signatory field to inform us who will be signing the report. The Signatory should be the primary or one of the primary appraisers responsible for directly developing and writing the appraisal report. If this directive is not followed the report will be returned. Effective now please use the new PDF Adobe Data Collection form named RETECHS Property Data Survey. This form can be found in RIMSCentral Reference Documents for Capital One. The old Excel data collection form is no longer being used by Capital One. After the review is completed, the reviewer will advise you where to send the hard copy reports. PLEASE NOTE: Capital One Third Party Vendor Insurance Requirements noted in letter of engagment are stored under Reference Documents in RIMS Central
Report Type:	Self-Contained
Format:	Narrative
Appraisal Premise:	Market Value - As-Is - Fee Simple Hypothetical Market Value - Other - Fee Simple Hypothetical Market Value - As If Complete - Leased Fee Hypothetical Market Value - As If Stabilized - Leased Fee Unencumbered Market Value - As If Complete - Leased Fee Unencumbered Market Value - As If Stabilized - Leased Fee Tax Credits - As If Complete - ----------------

Value of Below Market Financing - As If Complete - ----------------
Insurable Replacement Cost Estimate - As If Complete - ----------------

Property Contact:	Mario Procida
Phone:	718-299-7000
Fax/Email:	

Capital One Job Manager:	Tara Boyan 299 Park Avenue, 22nd Floor New York, NY 10171
Phone:	646-836-5264
Email:	tara.boyan@capitalone.com

An appraisal service must comply with the Comptroller of Currency appraisal standards as delineated by ruling 12 U.S.C. 93 a and Title XI of FIRREA dated 1989. Failure to comply with any of the above requirements may result in rejections of the appraisal. In addition, payment of the fee is subject to a review of the appraisal for compliance with the above mentioned requirements. Should you experience any delays in the performance of this appraisal, please notify us in writing via email no less than seven days prior to the due date.

As confirmation of your acceptance of this assignment under the terms specified in this letter, please return a signed copy of this engagement letter to us and include a copy in the addenda to the report. Signing of this engagement letter indicates that an appraisal report will comply with the most current USPAP and all guidelines specified. Evaluations must comply with the OCC's requirements for same. Also, by signing this letter you understand that Capital One is the client and that you are prohibited from appraising or performing an evaluation relative to this property for the next six months without the express written permission of the undersigned. Such permission will not be unreasonably withheld.

Capital One Bank will not accept limiting conditions which attempt to restrict potential damages to the fee collected for an assignment or suggest that the Bank should indemnify the vendor for a loss or claim stemming from their assignment. Any such "limiting condition" must be removed from the vendors Contingent and Limiting Conditions.

If upon review, the appraisal report or evaluation is deemed unacceptable by Capital One for non-compliance issues, and requested changes and/or additions are not properly made, Capital One may elect to refuse payment of the appraiser's invoice.

<u>Capital One Appraisal Requirements</u>

1) If a direct sales comparison approach is utilized for land and improved valuation, the subject and comparables should be arranged on an adjustment grid. A matched paired analysis is the preferred method to estimate the amount of adjustments in the sales comparison approach. If a matched paired analysis is not applicable, provide explanation and support for all adjustments.
2) For all significant multi-tenant income producing property appraisals, a discounted cash flow analysis should be prepared. Any elimination of this technique should be fully supported.
3) If applicable, perform a direct capitalization analysis using a capitalization rate that is adequately supported by market evidence. If Ellwood or Akerson techniques are used, clear market support must be provided for the projected change in property value and for the applicability of the technique.

<u>Market Value Definition</u>

"Market Value" is defined by the United States Treasury Deparment, Comptroller of the Currency 12 CFR part 34, § 34.42 (f) as,

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1) Buyer and seller are typically motivated;
(2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
(3) A reasonable time is allowed for exposure in the open market;
(4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

(5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

FIRREA Appraisal Standards

MINIMUM STANDARDS. For federally related transactions, all appraisals shall, at a minimum:

(1) Comply with the Uniform Standards of Professional Appraisal Practice ("USPAP");
(2) Be sufficiently informative to support the institution's lending decision;
(3) Analyze and report deductions and discounts, when appropriate;
(4) State a Market Value estimate, as defined by this appraisal regulation;
(5) Be performed by State licensed or certified appraiser.

The following items should be included in every report:

- Signed copy of engagement letter
- Copy of appropriate state certifications in addenda
- Properly completed invoice

Sincerely,

Tara Boyan

Accepted:

10/14/2015

Date:

RIMS Customer: Capital One
Project #: 15-001709-01-1

Award Information

Date Awarded:	10/13/2015		
Canceled:	No	Directly Awarded:	No
Fee:	$6,500.00	Delivery Date:	11/3/2015
Property Contact(s):	Mario Procida, 718-299-7000		

Award Comments: The engaged appraiser must sign the appraisal report unless other prior arrangements are made. Please use the RIMS Signatory field to inform us who will be signing the report. The Signatory should be the primary or one of the primary appraisers responsible for directly developing and writing the appraisal report. If this directive is not followed the report will be returned.

After the review is completed, the reviewer will advise you where to send the hard copy reports.

Job Attachments:

There are currently no job attachments

Bid Information

Proposed Fee:	$6,500.00	Proposed Delivery Date:	11/3/2015
Signatory Information:	Robert Nardella	Office Location:	New York

Prior Services: Have you performed or provided any services regarding the subject property within the prior three years, as an appraiser or in any other capacity? If Yes, please provide details in the Comments field.
No

Bid Comments:

RFP Information

Purpose Of Request:	New Loan		
Response Deadline:	10/13/2015	RFP Contact:	Tara Boyan
Desired Delivery Date:	11/03/2015	Contact Phone:	646-836-5264

ADDRESSEES:

First name	Last name	Company	Address	
Tara	Boyan	Capital One N.A.	299 Park Avenue 22nd Floor	New York, NY 10171

Total Addressees: 1

DISTRIBUTION:

Number Of Copies	First Name	Last Name	Company	Address	
1	Fabian	Ramirez	Capital One Bank	299 Park Avenue 14th Floor	New York, NY 10171

Total # Hard Copies: 1

SCOPE OF SERVICES:

Intended Use Use - Loan Underwriting
The intended use of this appraisal is for loan underwriting and-or credit decisions by Capital One Bank and-or participants

Intended User User - Capital One Bank
The intended users of this report is Capital One Bank and-or affiliates
Note: Capital One and two other intended users (see below0

Approaches to Value Approach - ALL
All applicable approaches

Other Requirements The engaged appraiser must sign the appraisal report unless other prior arrangements are made. Please use the RIMS Signatory field to inform us who will be signing the report. The Signatory should be the primary or one of the primary appraisers responsible for directly developing and writing the appraisal report. If this directive is not followed the report will be returned.

Effective now please use the new PDF Adobe Data Collection form named RETECHS Property Data Survey. This form can be found in RIMSCentral Reference Documents for Capital One. The old Excel data collection form is no longer being used by Capital One.

After the review is completed, the reviewer will advise you where to send the hard copy reports.

PLEASE NOTE: Capital One Third Party Vendor Insurance Requirements noted in letter of engagment are stored under Reference Documents in RIMS Central

Report Type: Self-Contained
Report Format: Narrative

VALUATION SCENARIOS:

Valuation Premise	Premise Qualifier	Property Interest	Comment
Market Value	As-Is	Fee Simple	
Hypothetical Market Value	Other	Fee Simple	as If Vacant
Hypothetical Market Value	As If Complete	Leased Fee	Restricted Rent Scenario (with and without tax abatement)
Hypothetical Market Value	As If Stabilized	Leased Fee	Restricted Rent Scenario (with and without tax abatement)
Unencumbered Market Value	As If Complete	Leased Fee	Hypothetical Market Rent Scenario
Unencumbered Market Value	As If Stabilized	Leased Fee	Hypothetical Market Rent Scenario
Tax Credits	As If Complete	----------------	
Value of Below Market Financing	As If Complete	----------------	
Insurable Replacement Cost Estimate	As If Complete	----------------	Estimate needed for each structure on the site

RFP Comments: Additional Intended Users: The New York City Housing Development Corporation its successors, assigns and/or its affiliates and subsidiaries.
The City of New York acting by and through its Department of Housing Preservation and Development

The property must be inspected by a state certified general appraiser.

Only appraisers licensed in the state of the subject property can sign the report.

If the addressee of the engagement letter is not licensed in the subject state, a bank approved appraiser that is state licensed and certified general must sign the report and be designated in the bid response.

For each comparable, please provide the following: Project amenities, unit amenities, # of bedrooms, # of bathrooms, square foot for each unit size, rental price per sf, utilities paid by owner and by tenant (note utility type whether gas/electric, etc).

If there are parking spaces in the project, comparables for parking spaces will be needed.

Documentation should be requested by you from the property contact.

Analysis of the following:
- market analysis of subject area define and map the PMA, MSA and State and USA comparable rentals and projects.
- Employment and unemployment trends MSA, State, USA
- Employment by Industry MSA and USA
- Chart largest employers
- Income trends of AMI in the PMA, MSA, State, Nation and discuss results and changes for previous 10 years, current year and five year forecast;
- Community Services and distance from subject;
- Chart vacancy and median rents of all units within PMA by age band and discussion of results;
- Chart vacancy and median rents of all rent restricted units within PMA by age band and discussion of results;

- Chart vacancy and median rents of all market rate units within PMA by age band and discussion of results;
- Chart subjects rent for each unit type and compare to restricted comps net rent (after concessions) including age, distance, etc. Limit comparisons to 60% AMI unless lower restricted rent scenarios exceed market norms;
- Comparison grid of subject rents to market comps;
- Discussion of rent increases experienced by market rate and rent restricted comps within last 12 months;
- Estimate market rent for subject if unencumbered and basis and note the discount to subjects restricted rents.
- Comparison of unit amenities with other market rate and rent restricted comparables.
- Comparison of project amenities with other market rate and rent restricted comparables.
- Discussion of new/rehab restricted rent or market rate development under construction in PMA. Include any awarded new LIHTC awarded developments within the last two years in the PMA;
- Discussion of Crime Trends and address any security needs;
- Provide estimate of subject absorption rate and lease-up period supported by date from recently completed comps;
- Discussion of housing alternatives in PMA.
- Capture rate by unit type
- Penetration rate analysis

When bidding, please take into account that there may be project or financing changes that occur prior to closing that may necessitate changes to the report.

Effective now please use the new PDF Adobe Data Collection form named RETECHS Property Data Survey. This form can be found in RIMSCentral Reference Documents for Capital One. The old Excel data collection form is no longer being used by Capital One.

The vendor is also required to identify and ESTIMATE THE INSURABLE REPLACEMENT COST OF every building on the appraised site. The FEMA definition of a building is a structure with two or more outside rigid walls and a fully secured roof that is permanently affixed: or a manufactured home (mobile home) that is affixed to a permanent foundation. It is permissible to conclude that a building has no contributory value but that structure still must be identified and a statement as to the non-contributory value made. Please note that we may have "------" beside the appraisal interest as there is no defined bundle of rights associated with the insurable replacement cost estimate or other items such as tax credits, etc. However, this DOES NOT mean that the requirement for the insurable replacement cost estimate is not applicable or relevant.

-Property Information

Project Name:	Wililamsburg Bridgeview Apartments		
Property Description / Construction Type:	Currently on the site is a warehouse that will be demolished. The property is being purchased for $1 and will be owned by the developer and HDFC in order to obtain a tax exemption. The proposed project will have 55 units of which 30% will be for the formerly homeless. 12 studios, 14 one-bedrooms, 27 two bedrooms and one 3-bedroom plus one super's unit. There will be 3,903 sf of commercial space and 1,029 sf of community space. Per the loan officer, the project will not receive any subsidies. 16 units at 30% AMI and 38 units at 60% AMI.		
Property Type:	GB5 - Multi-Family - LIHTC Tax Credits - An apartment development in which the developer has agreed to provide units to low income households at restricted rental levels in return for government-sponsored tax credits.		
Address:	337 Berry Street/105 South 5th Street, Brooklyn, NY 11249		
County:	Kings		
Improvement Size (Primary):	55 Units		
Land Size:	64,611 SF		
Property Status:	Existing		
Property Tenancy:	NA		
Ground Lease?:	No	Proposed Renovation?:	Yes
Renovation Description:	existing structure needs to be demolished		
Listed for Sale?:	No		
Pending/Recent Sale?:	Yes		
Pending Sale Price:	$1.00		

ADDENDUM D:
QUALIFICATIONS AND LICENSES OF THE APPRAISERS

ROBERT S. NARDELLA, MAI, MRICS

SENIOR MANAGING DIRECTOR | VALUATION & ADVISORY

CUSHMAN & WAKEFIELD, INC.

Robert S. Nardella is an Executive Managing Director of Cushman & Wakefield, Inc., working within the Valuation & Advisory Group. Mr. Nardella joined Cushman & Wakefield, Inc. in February 1987 while still attending college. He graduated from Pace University's Lubin School of Business, Class of 1987, with a Bachelor of Business Administration in Finance, and earned a Masters in Real Estate from New York University in 1997.

In March of 1993, Mr. Nardella was named Associate Director of Cushman & Wakefield, Inc. He was further promoted to Director in December 1994 and to Senior Director in September 2006. Mr. Nardella has received the Excellence in Quality Service Award for the Valuation Advisory division in the New York region, and was named Quality Control Manager for the New York region in 2004. Other appointments include National Account Manager of several key Cushman & Wakefield relationships, as well as service on the Career Development Committee. In January 2007, Mr. Nardella was appointed Operations Manager of the New York office within Valuation & Advisory, and was named Managing Director in June 2008. In April 2014, Mr. Nardella was named Executive Managing Director and Area Leader for New York, Connecticut and New Jersey V&A operations.

EXPERIENCE

Since joining Cushman & Wakefield, Inc., Mr. Nardella has performed appraisal, feasibility and consulting assignments involving vacant land, developable air rights, office buildings, proposed and existing regional malls, shopping centers, industrial and residential complexes, condominiums, and investment properties throughout 25 states.

EDUCATION

- New York University – Graduated 1997
  - Degree: Masters in Real Estate
- Pace University – Graduated 1987
  - Degree: Bachelor of Science – Finance

APPRAISAL EDUCATION

Mr. Nardella has successfully completed all courses and requirements to qualify for the MAI designation, and has currently completed the requirements under the continuing education program of the Appraisal Institute.

MEMBERSHIPS, LICENSES AND PROFESSIONAL AFFILIATIONS

- Designated Member, Appraisal Institute
  - As of the current date, Robert Nardella, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- Member, Royal Institution of Chartered Surveyors (MRICS)
- Certified General Real Estate Appraiser in the following states:
  - New Jersey – 42RG00230800
  - New York – 46000004620

NEW JERSEY

THIS DOCUMENT IS PRINTED ON WATERMARKED PAPER, WITH A MULTI-COLORED
BACKGROUND AND MULTIPLE SECURITY FEATURES. PLEASE VERIFY AUTHENTICITY.

State Of New Jersey
New Jersey Office of the Attorney General
Division of Consumer Affairs

THIS IS TO CERTIFY THAT THE
Real Estate Appraisers Board

HAS CERTIFIED

Robert S. Nardella
2 Private Lovett Court
Blauvelt NY 10913

FOR PRACTICE IN NEW JERSEY AS A(N): Certified General Appraiser

11/08/2013 TO 12/31/2015
VALID

42RG00230800
LICENSE/REGISTRATION/CERTIFICATION #

Signature of Licensee/Registrant/Certificate Holder

DIRECTOR

NEW YORK

UNIQUE ID NUMBER
46000004620

State of New York
Department of State
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No. 80308

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.

EFFECTIVE DATE

MO.	DAY	YR
12	08	14

NARDELLA ROBERT S
C/O CUSHMAN & WAKEFIELD INC
1290 AVENUE OF THE AMERICAS
9TH FL
NEW YORK, NY 10104

EXPIRATION DATE

MO.	DAY	YR.
12	07	16

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.

CESAR A. PERALES
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)

PROFESSIONAL QUALIFICATIONS

JOHN T. FEENEY, JR.

EXECUTIVE DIRECTOR | VALUATION & ADVISORY
PRACTICE GROUP LEADER | MULTIFAMILY

CUSHMAN & WAKEFIELD, INC.

Mr. Feeney is a graduate of Manhattan College School of Business, Class of 1987, with a Bachelor of Science Degree in Finance. He entered the real estate business in 1985 with Cushman & Wakefield, Inc. Since that time, Mr. Feeney was promoted to Associate Director in October 1993 by the Executive Board of Cushman & Wakefield, Inc. He was subsequently promoted to Director in July 1996, to Senior Director in 2006 and to his current title of Executive Director in 2010.

EXPERIENCE

Since joining Cushman & Wakefield's Valuation & Advisory group, Mr. Feeney has worked on assignments including vacant land, air rights, office buildings, corporate headquarter facilities (both existing and proposed), shopping centers, industrial complexes, commercial properties, residential properties, hotels and investment properties throughout the United States.

Mr. Feeney is qualified as an expert witness in U.S. Bankruptcy Court, Southern and Eastern Districts of New York, and in the Supreme Court of the State of New York, County of New York, County of Queens and County of Nassau. Mr. Feeney has also been a guest speaker at Columbia University's School of Business Real Estate Club, the Appraisal Institute Metropolitan District Chapter Number 4, the Real Estate Board of New York, and New York University's Masters in Real Estate Program.

Since 1997, Mr. Feeney has headed the multifamily valuation team for New York's Valuation Services. During this time, Mr. Feeney has prepared appraisals and consulted on hundreds of multifamily assets including premier developments such as the Residences at the Time Warner Center, Trump World Tower, the Residences at 50 Central Park South, and One Beacon Court. Appraisal and consultation services have been provided to Con Edison on its transaction for its sites along First Avenue, proposed to be developed with over 5,000,000 square feet of mixed use buildings. Mr. Feeney's team was responsible for the appraisal of the first downtown residential buildings to be granted Liberty Bond Financing. Assignments have included properties in each borough of New York City, and include cooperatives, existing and proposed condominium developments, proposed and existing rental developments, 80/20 mixed use developments, Section 8 and Section 236 housing developments, Mitchell Lama developments, development sites, air rights, Low Income Housing Tax Credits, Inclusionary Housing, and benefits related to sub-market financing.

EDUCATION

- Manhattan College (Riverdale, NY) – Graduated 1987
  - Degree: Bachelor of Science – Finance

APPRAISAL EDUCATION

Mr. Feeney has successfully completed all required real estate courses required for the MAI designation offered by either the American Institute of Real Estate Appraisers or the Appraisal Institute.

MEMBERSHIPS, LICENSES AND PROFESSIONAL AFFILIATIONS

- Candidate for Designation, Appraisal Institute
- Certified General Real Estate Appraiser in the following state:
  - New York – 46000028659

NEW YORK

UNIQUE ID NUMBER
46000028659

State of New York
Department of State
DIVISION OF LICENSING SERVICES

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EFFECTIVE DATE

MO.	DAY	YR
06	30	15

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.

EXPIRATION DATE

MO.	DAY	YR
06	29	17

FEENEY JOHN T JR
C/O CUSHMAN & WAKEFIELD
1290 AVENUE OF THE AMERICAS
9TH FL
NEW YORK, NY 10104-6178

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.

CESAR A. PERALES
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)

NICHOLAS L. DORAY

ASSOCIATE DIRECTOR | VALUATION & ADVISORY

CUSHMAN & WAKEFIELD, INC.

Nicholas Doray is an Associate Director with the Valuation & Advisory group of Cushman & Wakefield, Inc. in New York. Mr. Doray joined Cushman & Wakefield Valuation & Advisory as a real estate appraiser and analyst in March 2007.

EXPERIENCE

Mr. Doray's appraisal experience includes proposed and existing multi-tenant office buildings, cooperative, condominium and rental apartment buildings, shopping centers, industrial and flex properties, mixed-use properties, vacant land and assemblages, transferable development rights, and special use properties such as hospitals, performance theaters, and churches. Mr. Doray also has experience conducting feasibility and market studies.

In 2015, Mr. Doray joined the New York multifamily specialty practice group, as a colleague of John T. Feeney Jr. who co-heads the national Multifamily Practice group. The group focuses on valuation and consulting assignments located within all five boroughs of New York City. Multifamily assets include cooperatives, existing and proposed condominium developments, proposed and existing rental developments, development sites, air rights, Low Income Housing Tax Credits, and benefits related to sub-market financing.

EDUCATION

- University of Michigan, Ann Arbor
  - Degree: Bachelor of Science – Economics and Political Science

APPRAISAL EDUCATION

Mr. Doray successfully completed all New York State appraisal courses required for licensing.

MEMBERSHIPS, LICENSES AND PROFESSIONAL AFFILIATIONS

- Licensed Real Estate Appraiser Assistant in the following state:
  - New York – 48000047725
- Practicing Affiliate, Appraisal Institute
- Member, Young Leaders Group - Urban Land Institute (ULI)

OTHER ACCOMPLISHMENTS AND AWARDS

- Cushman & Wakefield Rising Star Award - 2012

NEW YORK

UNIQUE ID NUMBER
48000047725

State of New York
Department of State
DIVISION OF LICENSING SERVICES

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EFFECTIVE DATE

MO.	DAY	YR.
04	06	15

KNOW ALL MEN BY THESE PRESENTS THAT PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO REAL ESTATE APPRAISERS.

EXPIRATION DATE

MO.	DAY	YR.
04	05	17

DORAY NICHOLAS L
C/O CUSHMAN & WAKEFIELD INC
1290 AVENUE OF THE AMERICAS
9TH FL
NEW YORK, NY 10104-6178

HAS BEEN DULY LICENSED AS A
REAL ESTATE APPRAISER ASSISTANT

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.

CESAR A. PERALES
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)

LIBRARY DOCUMENT REPOSITORY LETTERS

LPC DEVELOPMENT GROUP LLC
456 E. 173RD STREET
BRONX, NY 10457
TEL: (718)299-7000 FAX: (718)716-9054

March 31, 2016

Williamsburgh Library
240 Division Avenue @ Marcy Avenue
Brooklyn, NY 11211

Re: Brownfield Cleanup Program (BCP)
LPC Development Group LLC
Site Name: Williamsburg Bridgeview Apartments
Site Address: 105 S. 5th Street, Brooklyn, NY

Dear Head Librarian:

In compliance with the requirements of the NYSDEC Brownfield Clean-up Program, the Brooklyn Public Library, Williamsburg Branch, located at 240 Division Avenue @ Marcy Avenue, Brooklyn, NY 11211 agrees to serve as a designated repository for the above referenced project to facilitate citizen access to project documents such as Work Plans, Technical Specifications and Investigative Reports.

Please sign below and return the original copy to our office at the address shown above.

Accepted by:

Brooklyn Public Library, Williamsburgh Branch

Name: Catherine Skrzypek

Title: Neighborhood Library Supervisor

Signature: [signature]

LPC DEVELOPMENT GROUP LLC
456 E. 173RD STREET
BRONX, NY 10457
TEL: (718)299-7000 FAX: (718)716-9054

March 31, 2016

Hamilton Fish Park Library
415 East Houston Street
New York, NY 10002

Re: Brownfield Cleanup Program (BCP)
LPC Development Group LLC
Site Name: Williamsburg Bridgeview Apartments
Site Address: 105 S. 5th Street, Brooklyn, NY

Dear Head Librarian:

In compliance with the requirements of the NYSDEC Brownfield Clean-up Program, the Hamilton Fish Park Library, 415 East Houston Street, New York, NY 10002 agrees to serve as a designated repository for the above referenced project to facilitate citizen access to project documents such as Work Plans, Technical Specifications and Investigative Reports.

Please sign below and return the original copy to our office at the address shown above.

Accepted by:

Hamilton Fish Park Branch Library

Name: Norma Acevedo

Title: Library Manager

Signature: Norma Acevedo

APPROVED RP602

New York City Department of Finance • Division of Land Records • Tax Map Office

NYC Finance

APPLICATION FOR MERGERS OR APPORTIONMENTS

Instructions: Please complete this application and *submit in person* to: *Department of Finance, Division of Land Records - Tax Map Office, 66 John Street, 13th floor, New York, NY 10038.* Please read the instructions for further details before completing this form. Print clearly.

SECTION A: PROPERTY INFORMATION

Borough: BROOKLYN Block: 2443 Present Lot(s): 6,37,41

DO NOT WRITE IN THIS SPACE - FOR OFFICE USE ONLY

New Lot Number: 6

☒ Merger ☐ Apportionment Number of Lots Requested 1

New Lot(s): Usage (check one)

☐ *Residential* Building Gross Sq/Ft: ____

☐ *Commercial* Building Gross Sq/Ft: ____

☒ *Mix* (Residential & Commercial) Building Gross Sq/Ft: ____

1. Property Owner's Name: NYC HPD (LAST NAME) ____ (FIRST NAME)

2. Property Address: 105 SOUTH 5TH STREET (NUMBER AND STREET) BROOKLYN (CITY) NY (STATE) 11249 (ZIP CODE)

SECTION B: APPLICANT INFORMATION

1. Architect/Engineer/Applicant's Name: WOELFLING (LAST NAME) R. JOHN (FIRST NAME)

2. Address: 1385 BROADWAY (NUMBER AND STREET) NEW YORK (CITY) NY (STATE) 10018 (ZIP CODE)

3. Telephone Number: 212-247-2660 4. Email Address: JWOELFLING@DATTNER.COM

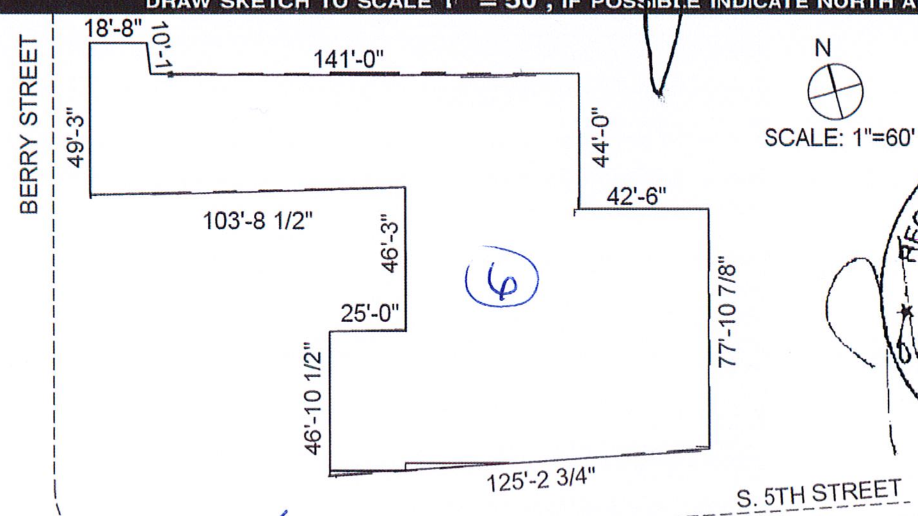
SECTION C: CERTIFICATION

The applicant hereby certifies that, in making this application for merger/apportionment, s/he is the owner, or acting under the direction of the owner.

Signature of Architect/ Engineer/Applicant: John Woelfling **Date:** 12 / 29 / 14

TAX MAP CHANGE WILL NOT BE MADE UNTIL PRESENTATION OF REQUIRED DOCUMENTS (see reverse for the required documents)

DRAW SKETCH TO SCALE 1" = 50', IF POSSIBLE INDICATE NORTH ARROW



REGISTERED ARCHITECT R. JOHN WOELFLING No. 025988 STATE OF NEW YORK

(Architect or Engineer's seal)

Lot(s) issued:
Customer Service Representative: [signature] Date: 12/31/14 New Lot(s): 6 Lot(s) Affected: 6,37,41 Lot(s) Dropped: 37,41

Please note: Map changes will not be made until presentation of all required documents is reviewed and approved by the Cartographer.

Map Updated:
Tax Map Cartographer: ____ Date: __/__/__

RP-602 Rev. 12.06.13

NYC Finance
Division of Land Records

TAX MAP UNIT
FEE SHEET

Date: 12/31/14

Borough: BKLYN

Block: 2443

Lot: 6, 37, 41

SERVICE	COST	QUANTITY	AMOUNT
TAX MAP CERTICICATION	$10.00		
New Lot Request For Applications of Condominium Apportionments and Approvals (RP-602C), and Applications for Mergers and Apportionments	$73.00 (per lot)	1	$73.00

10

NYC Business Centers
Manhattan City Register
66 John Street, 13th Floor
New York, NY 10038

Reference Number: 2014365057-51
Date/Time: 12/31/2014 3:00:02 PM

Property Tax - Miscellaneous Fees
2014365057-51-1
CPRR Trans Code: 11
CPRR Trans Desc: Miscellaneous Fees
Borough: 3
Block: 2443
Lot: 6
Due Date: 12/31/2014
UserId:NYC1869
Total: $73.00

1 ITEM TOTAL: $73.00

TOTAL: $73.00

Business Check $73.00
Check Nbr: 001118
Total Received: $73.00

CE2014365057-51

Thank you! Have a nice day.