

**L+M Development Partners, Goldman Sachs and the City's Housing Development Corporation
Close on Construction for Brooklyn Waterfront Development that Accommodates Residential and
Commercial Spaces**

HDC Provides \$37 Million in Financing for 11 Broadway

**Development Answers Demand for Affordable Housing in South Williamsburg and Brings Grocery
Store Tenant to Neighborhood**

Brooklyn, NY, October, 2010 – L+M Development Partners Inc. (L+M), Goldman Sachs Urban Investment Group (UIG) and the New York City Housing Development Corporation (HDC) today announced that financing is in place for a mixed-income building located at 11 Broadway in the South Williamsburg neighborhood of Brooklyn. The new project includes both residential and commercial space, addressing the City's need for affordable housing and more full-service food retailers. The project is located at the intersection of Broadway and Kent Avenue next to the East River waterfront.

The residential component of 11 Broadway includes 160 mixed-income rental residential units developed under Mayor Bloomberg's New Housing Marketplace Plan (NHMP), 128 of which will be available to low- and middle-income tenants. The ground floor of the project has been specifically tailored to meet the needs of a grocery store tenant, a use that the City prioritized through the FRESH program. There will also be retail space for several small local shops, in addition to a below-grade parking structure that will serve both commercial and residential tenants.

"Every New Yorker deserves to live in a comfortable, affordable community that won't require them to travel a distance just to acquire basic necessities like food," said L+M co-founder Ron Moelis. "Until now, available affordable housing in South Williamsburg has been very limited and retail options have lacked accessibility. We're looking forward to seeing how the combination of residential and retail space will promote positive opportunities for the community and improve the lives of everyone living in the neighborhood."

"By providing affordable housing and a full-service grocery store, 11 Broadway will strengthen South Williamsburg and address two critical needs in this community," said Alicia Glen, managing director and head of the Urban Investment Group at Goldman Sachs. "UIG remains committed to working with our public and private sector partners to finance projects that revitalize neighborhoods."

"The affordable housing development at 11 Broadway is made possible by \$37 million in HDC bonds and subsidy, but it is so much more than the sum of its parts," said HDC President Marc Jahr. "This new development is the fruit of the labor of many parties – our development partners, certainly, but also the visionary work undertaken by this Mayor through the Department of City Planning to open up the City's remarkable waterfront for development and recreation, while providing affordable housing opportunities for the residents of this community. In addition to the housing, this development will provide an important community facility in the form of a supermarket – an amenity that is not only much needed, but essential to our success in building this new waterfront community in Williamsburg."

As part of the NHMP, the project is a timely effort to address the critical need for affordable housing in the City and to fill a current gap in South Williamsburg for a large grocery store where local residents can regularly shop for reasonably priced food. The Housing Partnership Development Corp. is an owner in the project and played an instrumental role in securing resources necessary to help develop the affordable housing and allow for the inclusion of the grocery space.

“We are thrilled to have helped to develop 11 Broadway and provide the residents with a great place to live and greater access to food,” said Dan Martin, President and CEO of the Housing Partnership Development Corp. “The grocery space will be a great asset to both the residents of 11 Broadway and the people who live in the neighborhood. Our work with 11 Broadway is in line with our organization’s mission to help develop affordable and workforce housing. We continue to work throughout the five boroughs and are excited to expand our efforts to South Williamsburg with this development.”

“United Fund Advisors is proud to continue its collaboration with the New York City Economic Development Corporation in providing NMTC financing for projects that create opportunities in low-income communities,” said Cam Turner, Principal, United Fund Advisors. “The 11 Broadway development will bring a much-needed grocery store to South Williamsburg while supporting local retailers and creating jobs.”

The development of 11 Broadway continues L+M’s commitment to provide high-quality affordable housing to emerging communities in New York City. In Brooklyn, L+M has also developed Schaefer Landing, a 350-unit mixed-income building on the Williamsburg waterfront, which opened for occupancy in 2006 and whose affordable units were quickly filled.

In addition to providing new retail access for the community, 11 Broadway will also offer residents river views from many of the apartments, close proximity to the JMZ subway line and quick water taxi service to downtown Manhattan. Building amenities will include a roof terrace with panoramic views of the city, as well as a gym and a community room. GreenbergFarrow is the architect for the 11 Broadway project. They are a fully integrated architecture, planning, engineering and development services firm offering a comprehensive range of services to the retail and development communities.

11 Broadway utilized a unique structure, combining two discrete financings for one building: New Markets Tax Credits (NMTCs) and tax-exempt bonds with Low Income Housing Tax Credits. The affordable portion of the residential project is being financed with \$28.3 million in HDC tax exempt bonds that come with as-of-right 4% federal Low Income Housing Tax Credits and \$8.3 million in subsidy from HDC. Citi is providing the \$28.3 million dollar construction loan associated with the tax-exempt bonds. The commercial project will be separately financed by an NMTC structure with allocations from Citi and National Community Fund I, LLC, an affiliate of United Fund Advisors LLC, in coordination with the New York City Economic Development Corporation. Goldman Sachs is providing both a debt and equity investment into the NMTC structure.

About L+M Development Partners

Since 1984, L+M Development Partners has been an innovator in developing quality affordable, mixed-income and market rate housing, while improving the neighborhoods in which we work. A full-service firm, L+M works from conception to completion, handling development, construction and management with creativity that leads our industry. We are responsible for more than \$2 billion in development and construction and have created more than 10,000 high-quality units in the tri-state area alone. Community leaders, government officials and investment organizations turn to L+M because of our consistent track record of excellence.

L+M is a double bottom line company, where our success is measured not only in financial returns but also by the positive impact we make. We take pride in our long-standing dedication to the communities we serve, demonstrated through an annual scholarship fund, job training programs and substantial support for local nonprofits. L+M brings a superior level of commitment to our investments in developments, and equally important, to our investment in people.

About the Urban Investment Group at Goldman Sachs

Established in 2001, the Urban Investment Group deploys the firm's capital by making investments and loans that benefit low- and moderate-income people and underserved communities. Through its

comprehensive community development platform, UIG is a catalyst in the revitalization of distressed urban neighborhoods. UIG has committed nearly \$1.2 billion to revitalize underserved urban communities, facilitating the creation and preservation of approximately 9,000 housing units — 75% of which are affordable to low, moderate and middle-income families — as well as over 600,000 sq. ft. of community facility space and approximately 900,000 sq. ft. of commercial and retail space.

UIG is part of The Goldman Sachs Group, Inc. (NYSE: GS). To learn more about UIG, visit www.gs.com/uig.

About Mayor Michael R. Bloomberg's New Housing Marketplace Plan

New York City's affordable housing program to build or preserve 165,000 units of housing is the most ambitious and productive in the nation—creating housing as well as jobs for New Yorkers. To date, City financed more than 108,000 units —representing an investment that tops \$4.5 billion, not including roughly \$5 billion in bonds issued by HDC. In order to fulfill the NHMP goal of 165,000 units, HPD and HDC are responding to market realities and focusing on three primary goals: strengthening neighborhoods, expanding the supply of affordable and sustainable housing and stabilizing families by keeping them in their homes. To read more about the NHMP, please visit <http://www.nyc.gov/html/hpd/html/about/plan.shtml>

About the NYC Housing Development Corporation (HDC)

The New York City Housing Development Corporation (HDC) provides a variety of financing programs for the creation and preservation of multi-family affordable housing throughout the five boroughs of New York City. HDC's programs are designed to meet the wide range of affordable housing needs of the City's economically diverse population. In partnership with the NYC Department of Housing Preservation and Development, HDC works to implement Mayor Michael R. Bloomberg's New Housing Marketplace Plan to create or preserve 165,000 affordable housing units by 2014. Since the plan launched in 2004, HDC financed more than 45,000 homes for low-, moderate- and middle-income New Yorkers. HDC is rated AA by S&P and Aa2 by Moody's.

About United Fund Advisors

UFA is a financial services company that develops and employs triple bottom line investment strategies. UFA manages real estate and energy investment funds, structures financings, sources debt and equity, provides regulatory compliance management, and performs community impact and investor reporting services for its own funds and a national clientele. All of UFA's fund management and advisory services are driven by its mission "to create opportunities for profitable investments which enhance social and environmental yields." The firm has successfully leveraged various federal and state tax credits to help finance more than 50 projects with total project costs of \$2 billion. For further information, visit www.unitedfundadvisors.com.

About The Housing Partnership Development Corporation

The Housing Partnership Development Corporation is New York City's primary intermediary for the development of affordable and workforce housing. Since its establishment in 1982, the Housing Partnership has developed more than 30,000 affordable homeownership and rental units throughout the five boroughs and leveraged more than \$2.6 billion in private sector financing. An additional 4,000 units are in construction or predevelopment.