



ADAM LERNER

L to R: Rob Bennett, Eugene Schneur, and Mo Vaughn have worked together for 10 years, operating Omni New York. "We form a perfect team," says Bennett.

# Big League Player

*Led by former baseball MVP Mo Vaughn and partners Eugene Schneur and Rob Bennett, Omni New York has grown into a housing All-Star*

BY DONNA KIMURA

**T**he window frames at many of Omni New York's developments are painted a rich green hue.

"Fenway green," says Maurice "Mo" Vaughn, co-managing director of the firm and former Boston Red Sox slugger.

The color is a subtle reminder of the days when Vaughn regularly blasted pitches into the Fenway Park bleachers, but, more importantly, it signals a rehabilitated building.

Vaughn, 46, is part of a trio leading Manhattan-based Omni. His partners are attorney Eugene Schneur and Rob Bennett, who has 25 years of affordable housing experience. Specializing in acquiring and rehabilitating neglected properties, the company has grown to become a major player in affordable housing. Going into its 10th year, it's one of the industry's largest owners, with about 7,800 units. Omni's 34 properties are in New York City, upstate New York, Boston, and one in Wyoming.

The firm is looking to expand into other major markets, as well, such as Chicago and Washington, D.C.

After a decade in the business, Vaughn, who was the American League MVP in 1995, has shown he is more than a celebrity dabbling in affordable housing.

Omni was even his idea. Vaughn's interest was sparked in Ohio, where he'd heard how people were developing and owning real estate with tax-exempt bonds and low-income housing tax credits (LIHTCs). He told Schneur, 41, who had been his lawyer and someone who looked out for his best interest, about what he had learned.

"There are very, very few things in life that everybody wins

at," Vaughn says. "One of them is affordable housing. We win as owners. Tenants win with the properties we produce, and the city wins because we are revitalizing critical affordable housing stock, which is needed greatly."

When he first made his way into the industry, it raised more than a few eyebrows. "Of course, when I got into it and was sitting down with people, everyone's thinking, 'What does this baseball player know about affordable housing?'" says Vaughn.

"The smart thing I did when I was sitting there was I listened and learned," he says.

The partners met with leaders at various New York housing agencies to get their foot in the door and assembled a strong team at Omni, which employs more than 400 people across all of its divisions, including management, maintenance, and construction companies.

"I've been very, very fortunate," Vaughn says. "It's hard to get two shots at life. I got two and have been successful at two. Your parents tell you, 'Get around smarter people, and you'll get smart yourself.' That's definitely the truth."

### Taking on tough projects

The firm's first deal was the purchase of Brookhaven Apartments and Thessalonica Court Apartments, which have a combined 286 units in the Bronx.

The city was looking for a change of ownership at two privately owned, neglected Sec. 8 properties and gave Omni a shot. The deal involved \$28 million worth of bond financing provided by



Omni New York specializes in the preservation and rehab of older affordable housing developments like Twin Parks (left) and Grote Street Apartments in the Bronx, N.Y. Financing for the two communities included tax-exempt bonds and low-income housing tax credits from New York State Homes and Community Renewal.

PHOTOS: JAMES SHANKS

*“When we did the first deal, I wanted a color that was happy. When you walk into these complexes, they’re always battleship gray. Why do they all have to be battleship gray?” —Eugene Schneur, co-managing director, Omni New York*

the city’s Housing Development Corp. (HDC) and secured with a letter of credit from Citi. The financing also included 4 percent LIHTCs that Vaughn had first heard about.

Omni rehabbed the properties while preserving the affordability of the apartments.

“Our rehabs are comprehensive,” says Schneur. “We do the roofs and windows. We change the lobbies. We change the mechanical systems. A lot of these buildings have 25-, 30-year-old boilers. We’re putting in energy-efficient boilers.”

At one massive property, the 1,654-unit River Park Towers, which the firm acquired in 2012, the renovations include converting the Bronx building from electric to gas heat as part of a \$100 million rehab.

If Vaughn has green window frames, Schneur has his own signature color, too.

“When we did the first deal, I wanted a color that was happy,” he says. “When you walk into these complexes, they’re always battleship gray. Why do they all have to be battleship gray? It’s depressing when you walk into the lobby and hallways.”

They soon began painting the lobbies and hallways in their developments a sunny shade of peach—“Gene’s peach.”

More significantly, the company has installed 7,000 cameras to improve the security at its properties. That’s one of the biggest moves Omni makes to turn around its developments, including the old Noble Drew Ali Plaza in the Brownsville neighborhood of Brooklyn.

The 385-unit property was so bad that the U.S. Postal Service had stopped delivering mail to the five-building project because it was too dangerous, says Schneur.

When Omni purchased the property in 2007, the city issued a two-page press release. The announcement included news that, a day earlier, 35 people who had been intimidating residents with guns and pit bulls and selling drugs at the property had been arrested.

After purchasing the development, Omni spent \$25 million rehabbing it over two years. The firm again used a combination of bonds, 4 percent housing credits, and other subsidies.

It was a sign that the company would, and could, take on some of the city’s toughest deals.

Now known as Plaza Residences, the community includes

renovated apartments and new building systems. The lobbies and community room were upgraded, and five laundry rooms were added. Nearly 400 cameras were installed.

“I’m happy to report the post office is delivering mail again,” Schneur says.

### Focused on its craft

In 2013, the company was honored by the National Housing Conference (NHC) at its Housing Person of the Year gala.

“We recognized Omni for their outstanding work in taking on some of the toughest redevelopment projects in a city where sky-high rents and rapid gentrification make it nearly impossible for low-income people to live affordably,” says Chris Estes, NHC president and CEO. “Omni’s commitment to high-quality, energy-efficient redevelopment and deep affordability is an example for anyone looking to revitalize neighborhoods in a way that allows existing residents to thrive.”

The firm is an expert at performing rehabs with residents in place and one of the first affordable housing owners to use security cameras on a large scale, adds Shawn Horwitz, CEO of Alliant Capital, Omni’s longtime LIHTC syndicator.

Alliant, Citi, and Bank of New York were among the first firms to work with Omni. When possible, Omni has tried to stay loyal to its early supporters, so many of the company’s deals are with the same financing partners, according to Schneur.

The company has also remained focused on preservation during the past decade. If there is a typical Omni property, it’s an older, inner-city, project-based Sec. 8 development with an average of about 200 units.

Omni has completed just one new construction project, a small, 40-unit development in upstate New York. It plans to build its second, a 175-unit project in the Bronx, this year. The company has held on to all of its properties, not selling a single development. The firm is also eager to continue acquiring old properties and has more than 800 units under contract that it hopes to close in 2014.

Affordable housing is far from the stadium lights, but, in some ways, Vaughn is still a ballplayer eager to show what he can do with each at bat. “Ultimately, we have to go out and prove our worth every day,” he says. **AHF**