

# **REAL ESTATE WEEKLY**

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## **HPDC and Exact partner to renew two Bronx buildings**

**By Roland Li**

Two Bronx properties listed among the worst apartment buildings in New York are about to see a makeover.

The two buildings, at 1553 and 1558 Bryant Avenue, will undergo a multi-million dollar renovation overseen by developer Exact Capital Corp. and the Housing Partnership Development Corporation (HPDC), an affordable housing non-profit group. The U.S. Department of Finance's Community Development Financial Institutions Fund is also providing a grant for emergency repairs and acquisition of the building.



With over 1,200 housing violations for just 96 units, 1553 and 1558 have been described as the two worst houses in the Bronx. But for HPDC, the two buildings represented an opportunity.

Dan Martin, president and CEO of HPDC, said his group worked with the bank that controlled the mortgage on the building, with the goal of preserving affordable housing. According to city records, Sovereign Bank held the most recent mortgage on the property.



Dan Martin

"We are very much the middleman," said Martin, whose organization works with government agencies, lenders, developers and other groups to fund and develop affordable rental and for-sale housing.

HPDC purchased the two buildings from Bronx-based Cherokee Partners and Fein Properties for a combined \$5.19 million in November 2010. According to PropertyShark, 1553 Bryant Avenue is 44,750 s/f and 1558 Bryant Avenue is 25,695 s/f.

By controlling the deed during development, Martin said, the group can retain oversight and authority over the property, rather than giving it to a private developer. For other projects, it works with city land to ensure that it is properly used to hold affordable housing.

HPDC later solicited bids from private developers, eventually choosing Exact Capital, controlled by former bankers Craig Livingston and Mike Callaghan.

In addition to the acquisition price of the properties, the rest of the project, which includes construction labor, renovations and other costs, will total around \$15 million, and create around 75 construction jobs, said Martin. Current tenants will be relocated temporarily, while construction occurs.

HPDC also works with for-sale properties. It recently completed the first five properties in a 90-site rehabilitation in Newark, N.J., working with the Greater Newark Housing Partnership and the George Group LLC. The homes start at \$150,000 for buyers that qualify for grants from the city of Newark and the U.S. Department of Housing and Urban Development. Non-New Jersey residents are also eligible.

HPDC has shifted recently to rentals and renovations, partially because of the economy.

"We will shift with the market, based on what the needs are at the time," said Martin.

And while the two Bronx buildings are currently in poor condition, Martin said the neighborhood, with a community garden and local Boys & Girls Clubs of America, has great potential. He sees HPDC's mission as an effort to revive neighborhoods and unlock the potential for affordable housing.

"It's very much a social mission," said Martin.