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Two 'worst buildings' to be rescued

Pair of five-story Bronx properties with roughly 1,631 housing code violations will be rehabbed with help from a nonprofit, feds, city and private group.

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Two dilapidated Bronx apartment buildings, which had been on the city's worst building list, will soon be rescued and get a much needed rehabilitation.

Housing Partnership Development Corp., a Manhattan-based nonprofit which provides financing and technical assistance to rehab and construct affordable housing in the city, has agreed to provide Exact Capital, the owners of the two properties, a \$600,000 predevelopment loan for emergency building repairs, according to Dan Martin, president and chief executive of Housing Partnership.

The loan was made possible through a grant from the U.S. Department of the Treasury's Community Development Financial Institutions Fund. Additionally, the New York Affordable Housing Preservation Fund, a \$100 million fund created by Citibank and L+M Development Partners, invested \$3.4 million into the rehab. The funding allows Exact Capital to begin repairs as it works to close on its construction financing for a total rehabilitation of the project.

"It's a shame what happened to these buildings," said Mr. Martin, who notes that one building will be fully gut renovated under the program designed to preserve affordable housing.

Exact Capital is expected to close on \$20 million in construction financing by the end of this month, according to the city Department of Housing Preservation and Development. The complex financing will be in the form of Housing Development Corp. tax-exempt bonds, Housing Preservation and Development subsidies, as well as low-income tax credits.

"We have been working on this deal with Exact Capital for awhile, and we are super excited that the deal will close this month," said RuthAnne Visnauskas, deputy commissioner for development at Housing Preservation and Development. "Tenants were living in sub-standard conditions and will now benefit from multiple parties working together to make sure that the buildings are brought up to code and rehabilitated."

The two five-story, walk-up buildings are located on Bryant Avenue. They had roughly 1,631 housing code violations before Exact Capital Corp. bought the note on the properties for a reported \$3.5 million late last year from Sovereign Bank, the lender that foreclosed on the \$5.4 million mortgage. Exact Capital reached out to Housing Partnership as well as the city's Housing Preservation and Development to help it acquire the note and the deed on the properties and to rehabilitate the 99-unit buildings. Alan Fein was the previous owner of the two buildings.

Repairs on the buildings include new roofs, wiring, windows, and installation of new mechanical systems, kitchens and bathrooms, as well as brick pointing work to prevent leaks.