

## CITY

## Residential Real Estate

## Town House Project Is Set for Bronx

By RACHELLE GARBARINE

Work is to start next week on a 60-apartment rental project for low-income families that will fill the last vacant parcel on a South Bronx block, completing its transformation, begun more than a dozen years ago, into a residential address.

The \$9.9 million project, which is in the shadow of Yankee Stadium and is called Stadium Court, will be added to the 373 rentals in three buildings now on the block, which is bounded by Gerard and River Avenues and 165th and McClellan Streets. It will have 20 factory-built three-story town house-style buildings that will rise in the middle of the block facing Gerard Avenue, four blocks north of the stadium.

The apartments will have one and two bedrooms and 690 to 920 square feet. They will be leased to families earning \$26,400 to \$31,600 a year, depending on family size, at rents of \$660 to \$790 a month.

The Leewood Real Estate Group of Staten Island is developing Stadium Court, using public and private financing. The Capsys Corporation will construct the buildings in its factory at the Brooklyn Navy Yard. The project's nonprofit sponsor is the Doe Fund, which runs job-training programs and homeless shelters. "There is a dearth of housing for the

working poor and working middle class in the city," said George T. McDonald, Doe's president, "and any that we get is to the better."

Development of the block has reflected how the vagaries of the city's housing market affect the use of public financing.

The existing buildings on the block, as will be the case with Stadium Court, got some of their financing through the sale of federal low-income housing tax credits to investors who use them to reduce federal taxes. They also tapped the city's tax-abatement certificate program.

The certificates are sold to developers of market-rate housing south of 96th Street in Manhattan. Each certificate entitles such developers to a 10-year property-tax exemption on an apartment.

The housing market was robust in the late 1980's when a developer began to transform the block where Stadium Court will rise. It built a 121-apartment building before the city's housing market declined in the early 1990's and certificate demand fell.

The federal tax credits for the original development were sold by Related Capital, an affiliate of the Related Companies, a large Manhattan developer. Related also sold the federal tax credits, demand for which is not affected by the housing

market, for the three other projects.

After the original building was put up, the rest of the site sat dormant until 1997, when the residential market rebounded, reviving developer interest in city tax-abatement certificates. Related bought the site that year and from 1998 to 2001, in partnership with Leewood, built two seven-story buildings, with 126 rentals each. Gregory H. Gusbee, a Related senior vice president, said the 1,260 certificates the two buildings generated were sold to at least 12 developers as well as used by Related.

But when those buildings were completed, the housing market, and by extension the demand for certificates, again flattened, leaving the final site undeveloped until this year.

Earlier this year, Leewood bought Related's interest in the site and got financing for Stadium Court. The financing combines a \$2.9 million loan from New York Community Bank with \$6.6 million from the sale of tax credits as well as the sale of just 36 tax certificates, generating \$360,000.

Last spring, the city's Department of Housing Preservation and Development began changing that program to stretch limited resources, said Aileen Gribbin, the department's assistant commissioner for housing finance.

Developers of low-income housing



Alan Chin for The New York Times

A rental project near Yankee Stadium in the Bronx will have 60 units in 20 town house-style buildings.

will no longer automatically get five certificates for every apartment they build. Instead, Ms. Gribbin said, the number of certificates will be based on what other financing the project secures. The changes are expected to take effect at the end of this month, but the city agency was able to negotiate the lower number of certificates with Leewood — which

would have been entitled to 300 certificates under the old program — because of the availability of other types of financing.

R. Randy Lee, Leewood's president, said the economics of the project worked thanks to a low interest rate of 5.75 percent on the bank loan. Choosing factory-built modular construction will also save money, as

will the project's design, which will not require elevators or common areas, he said. The buildings, designed by LoBue & Valenziano of Staten Island, will have brick facades and will be grouped in four clusters, with five buildings each, around a central courtyard. The project will also have parking for 25 cars. Occupancy is expected in April.