

New Owners Seal \$49M Mortgage to Purchase Disputed Affordable Housing Complex

BY MATT GROSSMAN FEBRUARY 13, 2018 1:47 PM

REPRINTS



EAST HARLEM.

PHOTO: MOZART DIENSTHUBER/WIKICOMMONS



A bit of foresight back in 1980 has gone a long way for a community group intent on preserving affordable housing.

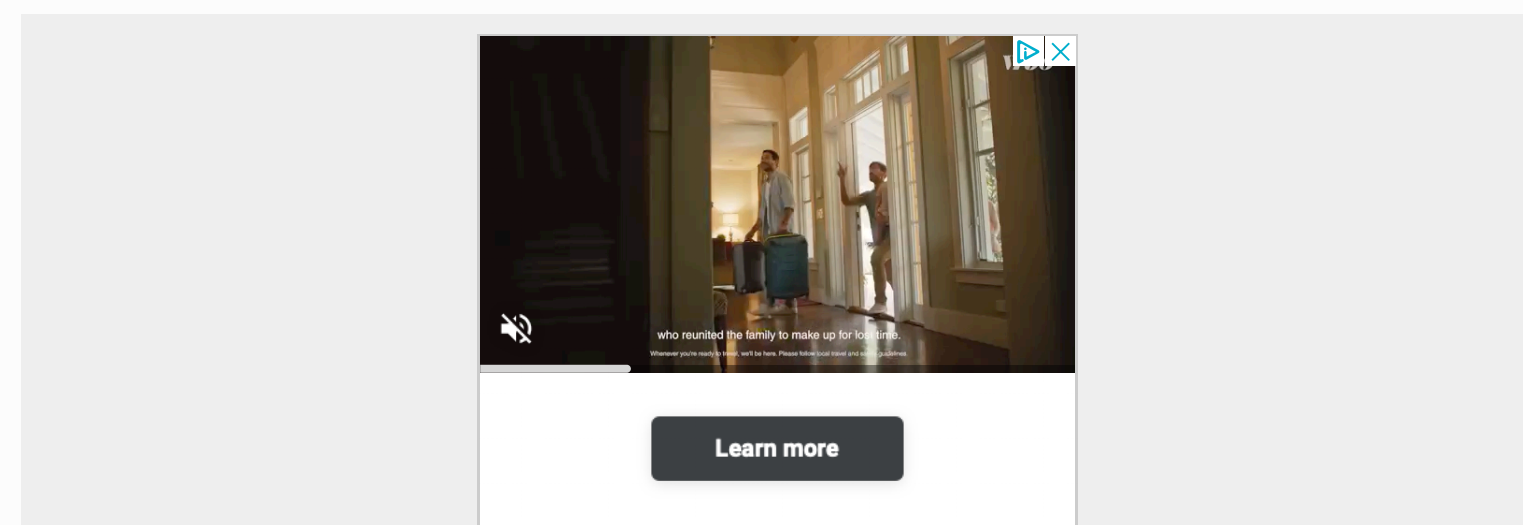
A right of refusal it negotiated that year allowed the group, **Nuevo El Barrio Para la Rehabilitación de Vivienda y Economía (NERVE)**, to block the sale of a building, **1680 Madison Avenue**, to **L+M Development Partners** last summer.

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Now, NERVE, along with a trio of equity partners, has secured a \$49 million mortgage from **Prudential** to purchase the East Harlem building from its previous majority owner, **Metropolitan Realty Group**, property records show.

The group's continued ownership stake guarantees that 1680 Madison will retain its rent-protected status until at least 2048.

The seven-story building, between East 111th and East 112th Streets, comprises 135 units for households earning less than 50 percent of the area median income.

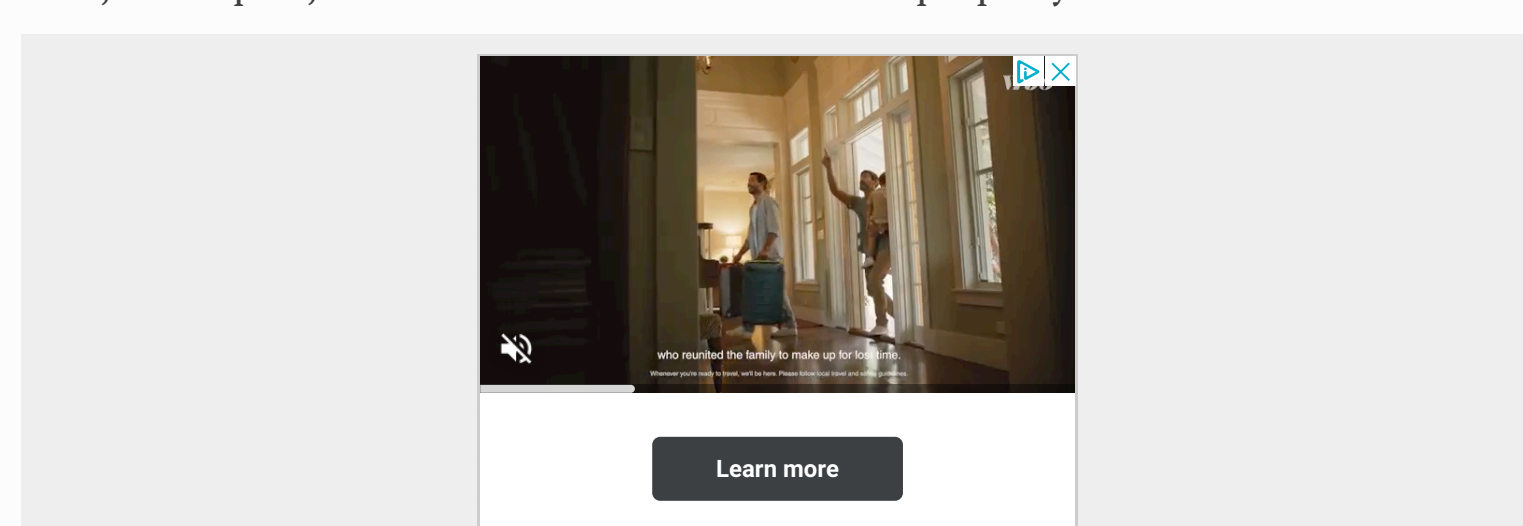


"L+M wanted to buy it, but they messed up because they forgot all about NERVE," said **Bob Anzagasti**, NERVE's general manager, who added that he personally negotiated the nonprofit's right to buy the building in 1980. "Everything worked out good."

Even so, NERVE and its partners had to race against the clock to exercise the purchase option, said **Keith Gordon**, who heads one of the firms NERVE partnered with, **NCV Capital Partners**.

"We had a right of first refusal, but you have to match the [contract] terms," Gordon said. "There was a very tight time frame to come up with that capital."

L+M, for its part, said that its withdrawal from the property was amicable.



"NERVE's goal was to exercise its right of first refusal," a spokesman for the company wrote in an email. "When that became apparent to us, we withdrew as a potential purchaser and are happy to see that it worked out as they envisioned."

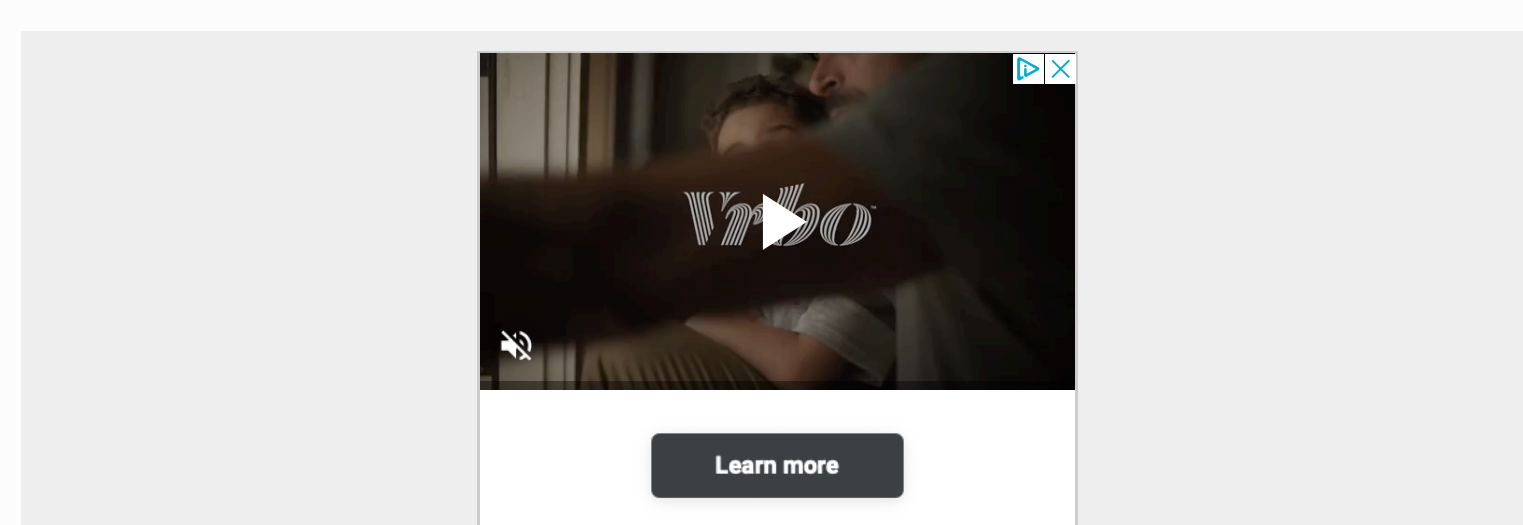
NERVE and NCV are joined as owners by San Francisco-headquartered **Belveron Partners**, which has developed affordable housing nationally, and **Hudson Valley Partners**, a regional firm based in Lower Manhattan. Representatives from Belveron and Hudson Valley were not immediately available for comment.

The *Real Deal* first reported the building's \$60 million sale to the new ownership group in late January.

Although the NERVE group's successful purchase guarantees that the project will remain protected for now, President **Donald Trump's** proposed federal budget, released yesterday, could imperil funding for affordable projects like 1680 Madison. The property benefits from the Section 8 program, which uses money from the **Department of Housing and Urban Development** to reimburse landlords the difference between low-income tenants' actual rent and a prearranged minimum sum.

The proposed budget would reduce the department's funding by more than 18 percent—nearly \$9 billion less per year.

A representative for Prudential did not immediately respond to a request for comment.



Update: This story has been edited to include a comment from L+M.

KEYWORDS: 1680 Madison Avenue, Belveron Partners, Bob Anzagasti, Department of Housing and Urban Development, Donald Trump, Hudson Valley Partners, Keith Gordon, L+M Development Partners, Metropolitan Realty Group, NCV Capital Partners, Nuevo El Barrio Para la Rehabilitación de Vivienda y Economía

Buildings in this story

1680 Madison Ave
1680 Madison Ave, New York, NY, 10029

Organizations in this story

<input type="checkbox"/> Owner L+M Development Partners	<input type="checkbox"/> Owner Metropolitan Realty Group
<input type="checkbox"/> Owner Hudson Valley Partners	<input type="checkbox"/> Owner, Investor Belveron Partners
<input type="checkbox"/> Owner NCV Capital Partners	

People in this story

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1680 Madison Ave



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