

DAILY NEWS

Wall Street and Federal bucks go to fixing up 'worst building' in the Bronx

Tenants of 'worst building in Bronx' may have hope

BY Daniel Beekman
DAILY NEWS WRITER

Thursday, June 16th 2011

The Bronx is finally getting a bailout, said federal and city officials visiting two nightmarish apartment buildings Tuesday.

Donna Gambrell, director of the U.S. Treasury Department's Community Development Financial Institution Fund, made the trip from Washington to salute plans for renovating the slums by two ex-Wall Street bankers.

Craig Livingston and Michael Callaghan are using government financing to fix up 1553-1555 and 1558 Bryant Ave. in Crotona Park East. The project will "help transform the community," said Gambrell.

The pair teamed up with the New York Housing Partnership Development Corporation last summer to secure a \$600,000 Treasury loan.

It and a larger loan from a private fund helped their company, Exact Capital, buy the slums last November and make some emergency repairs.

The rat-infested buildings racked up more than 1,600 housing code violations after the real-estate crash of 2008, with 1553-1555 Bryant Ave. becoming the "worst building in the Bronx," according to city officials.



Enid Alvarez/News

Donna Gambrell, with the U.S. Department of the Treasury, Craig Livingston, developer and Dan Martin, president of Housing Partnership Development Corporation, tour the property.

"When we first got there, there was a prostitution ring. There was a drug market," said Livingston. "It was complete pandemonium."

"Squatters would come here and nobody would throw them out," said tenant Barbara Ascanio, 55.

Like many other Bronx slums, the buildings became dumps when their former landlord defaulted on his mortgage, a crisis Livingston blamed on "lax lending standards."

Now, Exact is finalizing a complex deal to gut and renovate the buildings using \$20 million in city financing, federal tax breaks and private investment.

The firm is moving tenants out of 1553-1555 Bryant Ave. to make way for the work there, finding them temporary digs nearby. The building was already half-vacant when Exact took over.

After fixing up 1553-1555 Bryant Ave., Exact will tackle 1558 Bryant Ave., across the street.

Most of the tenants who return when the work is complete will have their rents reduced, said Livingston.

Tenant Alberto Guzman said he can't wait. He moved out last weekend, he said, with his ceiling on the verge of collapse. The renovated building will boast new boilers, bathrooms and kitchens.

Guzman hailed the project, but Ascanio has doubts about Exact. Her apartment had no hot water last weekend and Exact has failed to rid it of bedbugs, she said.

"They talk a good game," said Ascanio, who is moving out soon. "But they don't seem much different."

But Housing Partnership President Dan Martin said the project will generate up to 75 construction jobs, calling Exact "good guys."

Livingston called it "proof that the other buildings languishing can also be turned around."