

YOUR HOME



The rebirth of a housing icon

The Parkchester Oval fountain, just before it was turned off for the season

PARKCHESTER, BX

Real estate still makes dreams come true. In Parkchester, a 171-building, 129-acre, 12,271-unit city-within-a-city in north-central Bronx, they do everyday. This big dream, affordable housing for working-class New Yorkers, got started 70 years ago by the Metropolitan Life company. Some remember it became a nightmare in the '70s and '80s when the Helmsley Organization, they say, let the place fall into disrepair. Rebirth and renewal came 12 years ago when a socially conscious local retail king, a not-for-profit group and tough-minded condominium owners helped bring it back to life. Today, instead of the white (Met Life had a policy of barring black people) Eastern European Jewish and Irish Catholic working class who lived there in the early 1950s, Parkchester thrives because of an influx of African-Americans (from the Caribbean and Africa), Hispanics and Asians, Indians and Bangladeshis who enjoy fair rents and low-cost home ownership.



“The vision of Metropolitan Life to provide affordable housing for moderate-income, hardworking people is the same today,” says Margaret Walsh, president of one of two local condo boards representing all owners and buildings. “It’s diverse here now. The history of Parkchester recapitulates the history of the United States.” Walsh would know. She’s lived in the same Parkchester apartment since 1943. She saw the Helmsleys buy the complex from Met Life in 1968, and watched it deteriorate after a water shutoff caused pipes to burst. Profit-minded rather than repair-oriented, the Helmsleys took some of the complex condo in 1986, when Walsh bought her three-bedroom (one of only

551 in the entire area) for \$23,000. “Those were tough years,” says Walsh. “There were a lot of battles, and local politicians fought to keep a lot of apartments as rentals. That was when someone called Parkchester a cancer that needed to be cured for the entire Bronx to survive, or something like that.” Walsh also was there 12 years ago when the complex’s new owners, the Parkchester Preservation Co. (PPC), a group led by Morton L. Olshan’s Mall Properties, Michael Lappin’s Community Preservation Corporation (CPC) and Jeremiah O’Connor bought the 6,000-plus rental units and over 500,000 square feet of retail from the Helmsleys for \$4 million. The price was low because the complex was in disrepair, with some units covered in pigeon poop. PPC’s sole desire was to keep the units affordable and make them appealing through major upgrades. Unlike other recent moves by landlords buying large affordable housing complexes, none of the current 1,557 rent-sta-

bilized or rent-controlled tenants would be pressured to leave, nor would rents be raised more than legal increases. The retail strip, which included Macy’s first branch, was thought to have potential. Profit would come from making improved apartments available at fair prices, and increasing retail rents through upgrades. “I believe in town centers where people live, work and enjoy entertainment and outdoor recreation in one facility,” says Madison Ave.-based Olshan, a minority owner of the New York Yankees who has developed retail and residential properties all over the country. “That was already here, and the quality of the housing was exceptional. It needed major rehabilitation. As a company, we don’t sell things. We keep them and constantly upgrade them. The main question here was, could we restore it and keep it affordable? This was our hope.” For Lappin, the president and CEO of CPC, founded in 1974 by David Rockefeller-

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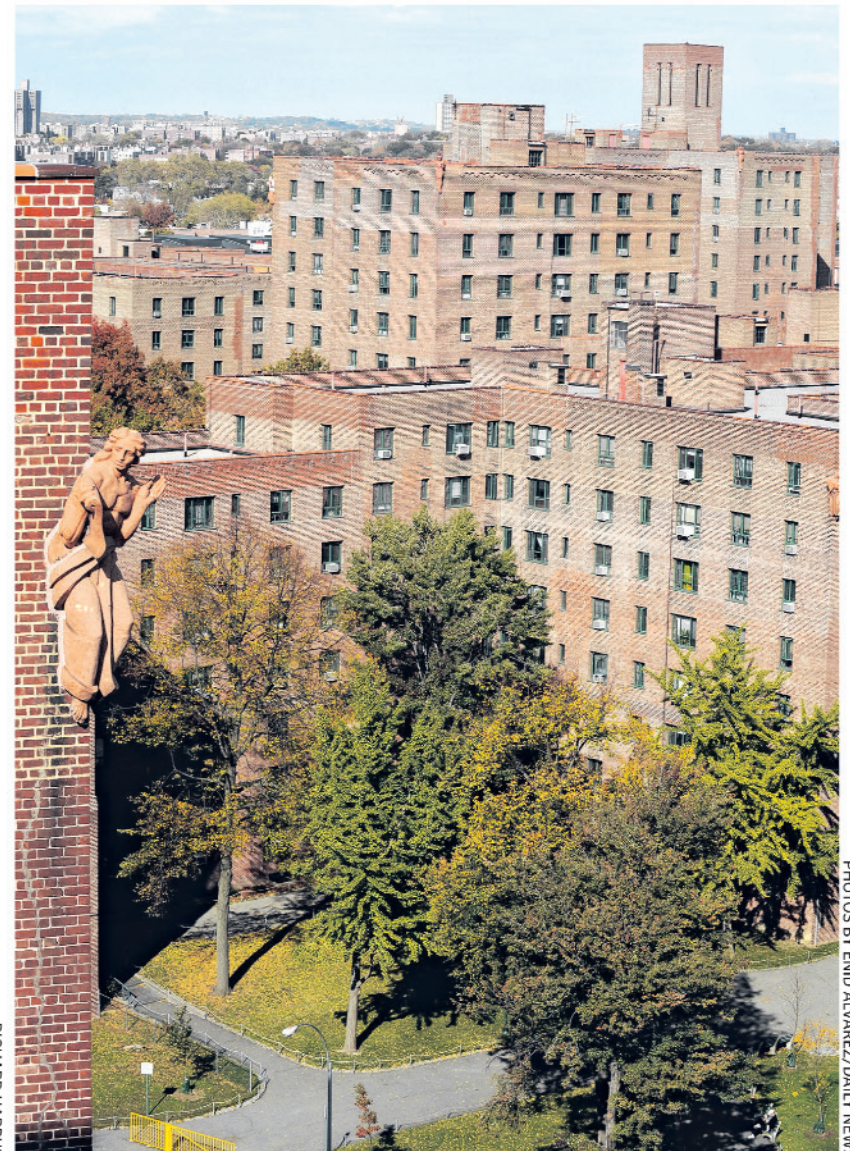
The interior of a two-bedroom rental. Units are priced at under \$1,450 per month



Real estate broker Zakir Khan in front of Parkchester’s multiplex movie theater

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er to keep financial institutions funding affordable housing in metropolitan areas, his group had never developed a project of this size. “First and foremost, this was good social purpose,” says Lappin, who was brought into the deal by an executive inside the Helmsley Organization. “The main thing was winning over the trust of the condominium owners, so we could upgrade the entire property.” To finance the upgrade, PPC put up its rental units as collateral and persuaded condo owners to approve the loan, which would increase common charges. “I spent a lot of time there convincing homeowners the renovation would increase home value,” says Lappin, who worked with local clergy to improve relationships between the developer and residents. “In the 12 years we’ve been here, homes have increased from \$26,000 to over \$100,000 for one-bedrooms and more for the larger units.” Renovations helped. Totalling almost \$230 million, the upgrades to the residential section of the condominiums and rental units include new plumbing, wiring, elevators, the installation of over 70,000 airtight windows, roof repair and landscaping. An increase in electrical voltage brought air conditioning units, something Parkchester residents had never had. “It’s hard to sell people on the things they can’t see,” says Zakir Khan, who owns Zakir Khan Realty Group

(eParkchester.com), a local agency that has sold Parkchester units for 12 years. “They don’t see all the electrical in the walls, but they can see that people have new air conditioners and that the elevators are in perfect condition. Buyers get very nervous when they see a shaky elevator.” Khan, 37, made Fern fries at Burger King, sold T-shirts at Madison Square Garden and computers at Circuit City before selling real estate. After graduating from City College, the Bangladeshi native who lived in Parkchester saw opportunity. “I could not believe that there was no real estate broker inside the complex,” says Khan, who has an office near the Parkchester Oval. “These are big apartments near the 6 train and highways. There are six supermarkets, schools and churches right here. I thought, if I can get into the complex, I could have a good life. After a few weeks, things were going so well I could not do it alone. I have 13 people working for me now.” Two-bedroom units sell for \$152,000. With bank loans tight, Khan says owner financing works well in the neighborhood, where home values have been steady because of first-homeownership tax credits and working-class saving habits. Perhaps the biggest turnaround in Parkchester has occurred on the rental side. Some of the 6,382 total units are available, with one-bedroom apartments going for \$935 to \$1,300 and two-bedrooms starting at \$1,300. (Go to



Parkchester from above, with terra cotta sculpture overlooking the area

parckchesternyc.com for more information.) The apartments have parquet floors and large kitchens and bathrooms. One draw is the strong retail mix that now includes Macy’s, New York Co., Zales, a multiplex movie theater and the Bronx’s first Starbucks. The condos, attended to by the two condo associations, include pathways, trees, playgrounds and incredibly clean hallways. In some places, Parkchester feels more park than neighborhood or apartment complex. Kids Rollerblade and sing while security guards and maintenance men work steadily around every bend. The complex is quiet and peaceful. Neighbors, however, do complain about a lack of parking. The rental-unit management team hired by Olshan is one of the most experienced in the affordable housing sector. Linda Field, Stephen J. Warren and Patricia Shapiro have worked together for 30 years in various locations, including the Bronx. They manage Parkchester Preservation Management, the group overseeing the rental units. Immediately after taking over the complex 12 years ago, they integrated all computer systems and put a system in place to serve renters.

Internally, the group established a central service dispatch department, where full-time phone operators take calls on apartment issues around the clock. Almost all calls, including those related to plumbing, maintenance or electrical issues, prompt same-day service — something that’s usually very difficult in a facility this large. The system for service and upkeep is so efficient it’s regarded as a national model for running affordable market-rate housing complexes of this size. “This is really the biggest laboratory we could find for trying to create one of the most successful affordable housing complexes in New York,” says Field, whose brother Warren designed proprietary software for managing the complex. “From the ownership level down to the staff, we all firmly believe that if people can have good housing at fair prices, their lives could be so much better,” says Field. “That’s our dream, and that’s what we want Parkchester to stand for. We think it does, and we work hard so it stays that way.”

Terra cotta sculpture from the 1940s are on all of Parkchester’s 171 buildings

PHOTOS BY ENID ALVAREZ/DAILY NEWS