

The New York Times

8 New Bids for Starrett City Complex Under Plan to Save Middle-Class Housing

By Charles V. Bagli
July 9, 2008

In a second round of bidding for Starrett City, eight groups submitted bids Tuesday that were substantially lower than a failed \$1.3 billion offer made last year for the working- and middle-class enclave on Jamaica Bay in Brooklyn.

The winner, in all likelihood, will be a nonprofit housing company, rather than the kind of private equity firms and large developers that have purchased block after block of apartment buildings for rapidly rising prices over the last seven years.

Acting at the urging of tenant groups fearing the continuing loss of affordable housing, elected officials blocked the sale of Starrett City, which is the nation's largest federally subsidized housing complex. They argued that any buyer paying such a high price would have to cut services and remove longtime residents in favor of higher-paying tenants to make a profit.

Last month, the owners of Starrett City reached an agreement with federal, state and city officials setting sale terms that all said would ensure that the complex's 5,881 apartments would remain affordable for poor, working- and middle-class families for decades to come.

The bidding groups submitted offers ranging from \$700 million to \$900 million for the 34-year-old complex of 46 brick towers, according to real estate and housing executives involved in the bidding. Starrett City, a racially and economically mixed complex, has its own shopping center, power plant, post office, churches and synagogue.

[...]

The NHP Foundation, a nonprofit housing developer that owns 6,000 apartments in New Jersey and Connecticut, is also bidding on the complex, and its partner, the Related Companies, would manage Starrett City. The Rev. Floyd H. Flake's Greater Allen Cathedral Housing Corporation, which has built affordable housing in Queens, has also made an offer, with financial support from JPMorgan Chase.

"This is consistent with what we've been doing for the past 20 years: building and maintaining affordable housing," said Ghebre Selassie Mehreteab, chief executive of the NHP Foundation.

Sen. Charles E. Schumer, who played a pivotal role in stopping the sale last year as well as in writing the new agreement with the owners, said he was happy with the bids so far.

[...]

For the full text, visit:

http://www.nytimes.com/2008/07/09/nyregion/09starrett.html?_r=2&ref=nyregion&oref=slogin&oref=slogin