

L&M Picks up Large Affordable Housing Portfolio in West Harlem

July 2, 2014
Published in The Real Deal
By Hiten Samtani



Clockwise: 501 West 148th St., 169 Edgecombe Ave., 1702 Amsterdam Ave., Ron Moelis and Peter Von Der Ahe

Ron Moelis' L&M Development Partners just acquired a 19-building, 300-unit affordable housing portfolio in West Harlem, *The Real Deal* has learned.

The seller is Phase Piggy Back, a Harlem-based nonprofit that has owned the buildings for over two decades. Phase Piggy Back, like many other community groups in the area, ran the units as affordable housing for several years as part of a regulatory agreement with the city. In exchange, the city gave the the properties to the nonprofit for a token fee, a source familiar with the transaction told *TRD*. It is currently valued at between \$30 million and \$40 million, the source said.

After the agreement expired, city officials looked for ways to maintain the units as affordable and encouraged developers with affordable housing experience to step in, the source said.

L&M will keep all the units affordable, Moelis told *TRD*. In turn, the city plans to help L&M finance the acquisition. In addition, the city agreed to help foot the bill for upgrades and construction.

Some of the buildings in the 277,520-square-foot portfolio are 501 West 148th Street, 169 Edgecombe Avenue, 1702 Amsterdam Avenue and 180 Edgecombe Avenue.

The deal, which closed June 30, was brokered by Marcus & Millichap's Peter Von Der Ahe, Scott Edelstein and Seth Glasser. "The primary goal of the seller," Von Der Ahe said, "was to maintain the affordable housing and regulatory agreements for as long as possible."

L&M is involved in several affordable housing projects. The firm created a \$150 million fund in partnership with Citi Community Capital to fund affordable housing acquisitions that don't involve government backing. L&M is also redeveloping the Seward Park Urban Renewal Area on the Lower East Side in partnership with BFC Partners, Taconic Investment Partners and Grand Street Settlement. Half of the 1,000 apartments at Seward Park are slated to be affordable.

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