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## City Nears Deal to Sell Stake in Two Public-Housing Complexes

Private venture would buy 50% of Bronx sites, invest \$90 million in repairs



An artist's rendering of improvements to the New York City Housing Authority's Baychester Houses in the Bronx. That complex, along with Murphy Houses, would receive a \$90 million private investment. PHOTO: GDSNY

By *Laura Kusisto*  
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New York City is closing on the sale of a stake in two public-housing complexes in the Bronx to private developers as the de Blasio administration ramps up private-sector involvement in the city's rapidly deteriorating public-housing stock.

A joint venture between L+M Development Partners, Camber Property Group and MBD Community Housing Corp. is set to buy a 50% stake in 722 units of public housing in the New York City Housing Authority's Baychester and Murphy houses.

New York has been slower than many cities around the country to bring in private investment for its public-housing portfolio, which is the largest in the country. The authority's 174,000 units of below-market housing have been a bulwark against further displacement even as swaths of the city have gentrified in recent decades.

But declining levels of federal investment in public housing have left the city with little choice but to explore new sources of funding, as properties have deteriorated to the point that [some of them are unsafe](#).

"NYCHA has clearly been in the news a lot and there's a lot of pressure on us as one of NYCHA's partners to take a long period of underinvestment and turn that around," said Rick Gropper, a principal at Camber Property Group.

The 14 buildings in the deal were originally constructed by the city and state 55 years ago and have posed particular challenges because they don't receive federal funding, unlike most NYCHA properties.

Under the deal, the private developers will take over the management of the properties and invest \$90 million in renovating them, including replacing windows and boilers and giving residents new kitchens and bathrooms.

The properties will now receive federal subsidies under the Section 8 program, which gives them a long-term source of funding. NYCHA will retain control of the land, and the properties are guaranteed to remain affordable to low-income residents.

A [similar deal four years ago](#) to sell a stake in 900 units in the Bronx, Brooklyn and Manhattan to private developers, including L+M, was met with initial skepticism from tenant leaders and local elected officials, who criticized the plan as privatization of public housing.

But tenant leaders now say the [quality of life for residents](#) has improved significantly since private management took over.

The New York City Housing Authority topped Public Advocate Letitia James's [list of the worst landlords in the city](#) released recently.

NYCHA announced earlier this month that it plans to [renovate some 62,000 units](#) over the next decade, primarily by converting them to privately managed Section 8 units.

"There's been a lot of concern raised by residents and by advocates that converting to Section 8 can be a bad thing for tenants," said Deputy Mayor Alicia Glen. "What we've been committed to from the beginning is, you get brand-new apartments...and you retain essentially the same rights as public-housing residents."