



## **Executive Summary for 1925 Grand Concourse, Bronx, New York**

### **Project Description**

New construction of 17-story market rate/ affordable apartment building. 146150 sq. ft. above grade with 177 apartments and 22,000 +/- community facility space. 30 below ground parking spaces. Developer anticipates applying for and receiving a tax abatement from the City of New York's of whatever is available at this time. Developer will select option C of the program which provides the optimal benefits and provides for the best rental income mix. 30% of the apartments will have to rent at 130% of the area AMI or lower. 130% of AMI is close to the market rent for this area of the Bronx, so there will not be an income reduction to qualify for project. The tradeoffs for selecting the abatement are hiring maintenance staff at prevailing wage. Financially the tax benefits far outweigh the increase in maintenance and operation expense. Since we are selecting to use the Affordable New York option, all rents selected within the 130% AMI band will have to be rent stabilized and all other units renting under \$2700 per month will also have to be rent stabilized. We have selected a rental distribution to maximize the number of market rate apartments in this development.

### **Ownership Structure**

The site is currently being PURCHASED by Cromwell Plaza, Inc from New Covenant Faith & Miracle Arena, Inc. Cromwell Plaza is in partnership with Elg Restoration & Redemption Corporation a Bronx based Real Estate and Renovation Corporation for the past 20+ years with few substantial real estate holdings in the Bronx New York City. Elg Restoration has entered into a joint venture development agreement. ELG RESTORATION and Cromwell Plaza, Inc. will jointly complete this project through 1925 Grand Concourse, LLC.

### **Type of Financing & Equity**

Cromwell is seeking a bridge loan for 1 years subject to renewal if necessary to complete the purchase of 1925 Grand Concourse, Bronx, New York.

### **Amount Requested**

\$4,600,000.00

### **Itemized Use of Funds**

See attached Contract of Sale

### **Guarantors**

The developers will provide Complete Guarantee of the bridge loan as necessary.



## **Market Definition**

1925 Grand Concourse is in the Mount Hope section of the South Bronx. The Grand Concourse is a wide boulevard running 4 miles connecting the Major Deegan Expressway (I87) at its most southern point to the Mosholu Parkway at its most northern point. 1925 sits strategically in the center of those points. Public transportation is widely available. The IRT 4 train station is just a seven-minute walk and the IND B local and D express train entrance is right in front of the building. Residents can literally enter and exit the subway within a few steps of the building's entrance. The Metro North commuter station is just a short five-minute walk. The southern tier of the Grand Concourse has recently seen an increase in residents moving into the neighborhood due to the architecture and proximity of Manhattan. With 1925 sitting at the entrance of the D express train, commuting time to midtown is 20 minutes away. 1925 presents an opportunity for an investor to participate in the upside of the Bronx development market. The building will rise above the existing apartment buildings, as most buildings on the Grand Concourse are 5 and 6 stories. 1925 sitting on the corner of the Grand Concourse and Tremont will add to the Bronx Skyline. This development will make history and will serve as a beacon on the concourse. Rents will be lower than comparative Manhattan properties, but we will offer the same amenities and very attractive design. There is a strong demand for new doorman rental housing in the Bronx. Proximity to the D Train entrance gives this development a market advantage.

## **Marketing Plan**

This project will have 2 marketing plans. 49 of the apartments (affordable units) will have to be marketed through HPD's Housing Connect website via a lottery. The lottery overseen by HPD's marketing department will follow HPD's guidelines. Recent marketing of HPD lottery developments have shown thousands of requests for these lottery apartments per development. The remaining 113 apartments will be marketed by a reputable citywide marketing representative with a history of renting rental units. We anticipate extremely high demand when the marketing plan is implemented. The community spaces will be rented by affiliates of our church partner except for the anticipated medical use. Conversations are occurring with potential tenants.

## **Documentation Available**

Layouts, Market Rental Study, Renderings.

## **Last Appraised Value As is \$6.5mm**

## **Current Anticipated Appraisal would over is up \$6.75m**

## **Existing Conditions**

Currently there is a two-story 13,100 sq. foot building currently being used as a preschool and church. These spaces have been vacated since April 30, 2023. Building will be razed to facilitate construction. An existing 3 family home on 175Echo Place owned by Cromwell Plaza was fully vacated on June 30, 2021 and recently fully demolished because of fire is now fenced out.