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City: 10 Washington Heights apt. buildings 'at risk'

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The buildings, which house 475 units located at 566 (pictured) and 570 W. 190th streets, will be added to the city's list of properties with high numbers of code violations.

City officials flagged 10 apartment buildings in the Washington Heights section of Manhattan as "at-risk properties" in danger of deterioration and falling into further distress.

The buildings, which house 475 units located at 566 and 570 W. 190th streets, are among several apartment complexes across the city in which owners paid hefty sums at the top of the market in hopes of raising rents but failed to do so and defaulted on their mortgages and left the properties in disrepair. The buildings will fall under the city's Proactive Preservation Initiative, a year-old program **designed to monitor properties that carry liens** and a high number of housing code violations.

Now, the buildings' tenant associations, city officials and local politicians are expressing concern that another over-leveraged investor may take over the Washington Heights properties.

"Today we are sending a strong and unmistakable message: the city Department of Housing Preservation and Development is here to help." HPD Commissioner Mathew Wambua said in a statement. "To the tenants: we are looking out for you. To the owners: we are watching you."

Mr. Wambua joined City Council Speaker Christine Quinn, City Councilmember Ydanis Rodriguez and the buildings' tenant associations Monday to urge the owners of the property to sell the buildings for less than asking price to a housing-preservationist group that would repair the properties.

Vantage Properties bought the buildings in 2007. It defaulted on a \$44 million mortgage issued by Anglo Irish Bank in August 2010.

A year later, Lone Star Funds, a Texas-based private equity investment group, bought the loan through an auction of Anglo Irish's non-performing and sub-performing loans and began foreclosing on the properties in March, according to the city. Lone Star is now marketing the property for \$50.75 million, or more than the current mortgage on the buildings.

Vantage could not be reached immediately for comment. Lone Star declined to comment. Housing advocates and tenant association leaders say their requests to meet with Lone Star have been turned down.

"It's outrageous that Vantage and Lone Star would jeopardize the stable housing of hundreds of New Yorkers to turn a quick buck," City Council Speaker Christine Quinn said in a statement. "If these buildings are sold with millions of dollars more in unsustainable debt, tenants will be the ones who pay the price when the new owners can't make mortgage payments or repairs. I urge Lone Star and Vantage to put tenants first and to sell these properties to a responsible buyer who will ensure the upkeep of these buildings is maintained."

According to the city, the buildings' receiver is making repairs on the properties but maintenance issues will continue to persist until an owner is able to purchase the building and make large-scale system improvements.

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