

The New York Times

City Room

Blogging From the Five Boroughs

For Birthplace of Hip-Hop, New Life

By Alice Speri November 7, 2011 10:01 pm

After a long struggle, ownership of a Bronx building known as the birthplace of hip-hop, which had fallen into neglect and foreclosure, was taken over on Monday by a group that specializes in preserving working-class housing.

The building at 1520 Sedgwick Avenue in the Morris Heights neighborhood was, in the early 1970s, the home of D.J. Kool Herc, whose community room parties were pivotal to the early development of hip-hop.

But in recent years, the 102-unit complex had become a symbol for aggressive investment practices and property neglect, so much so that Senator Charles E. Schumer recently called it “the birthplace of predatory equity.”

It was sold in 2008 before the real estate bubble burst to a real estate group that defaulted on the building’s mortgage within two years. The building fell into disrepair and foreclosure.

On Monday, Workforce Housing Advisors, a group focused on salvaging working-class housing in buildings that have been overleveraged, became the building’s owner. In 2010, it bought the building’s mortgage for \$6.2 million, with help from the city, and because no bidders came forward on Monday, it will keep the building. A bid of at least \$7.9 million at the auction would have been required for another party to take control.

Several residents, accompanied by an advocacy group that supported them through a long struggle, were at State Supreme Court in the Bronx on Monday and

broke into cheers and “hallelujahs” when the auctioneer announced that no bidders had registered.

Geraldine Davis, 72, a resident of the building for 37 years, hugged her neighbors and dried a few tears. “I always thought positive,” she said. “We prayed so hard and worked so much to save this building.”

In the last few years, residents watched the building change from the well-maintained, working-class haven it was under the state’s Mitchell-Lama program for middle-income housing, to a roach-infested building with malfunctioning water and heating systems, as well as a closed community room, said Ms. Davis and Gloria Robinson, the president of the Sedgwick tenants’ association.

“When I moved here it was like a hotel. It was beautiful. Now it’s down to nothing,” Ms. Davis said, recalling the days when her son and D.J. Kool Herc, who was born Clive Campbell, were doing “their rapping thing” in the building’s community room. “But where should we go? We stay here and fight. I’m going to stay here till the bricks come loose.”

During the auction, members of the tenants’ association sat silently, holding their hands to their mouths, nervous that a last-minute buyer would outbid them.

Dina Levy, director of organizing and policy at the Urban Homesteading Assistance Board, a tenant advocacy group, said the building had been a victim of “predatory investment” as the real estate market boomed. “Today is a big victory and a day to celebrate,” Ms. Levy said. “But the hope is that this will be helpful for other buildings that are still deep in the struggle.”

Ms. Levy and Workforce Housing Advisors, which bought the mortgage with the help of a \$5.6 million loan from the city’s Department of Housing Preservation and Development, hope the deal can be a model to preserve and rescue affordable-housing buildings across New York.

“Overleveraging has a disastrous impact on the city,” said John Crotty, a partner at Workforce Housing Advisors. “Some companies paid more than the buildings

could ever sustain, and when things went badly, they started running the properties to the ground.”

Mr. Crotty said his group was planning to renovate the building and work with tenants to recognize its importance. The group’s investors are more interested in steady, secure returns than making money quickly, he said. “I’ve never seen a business model that is successful while constantly fighting with residents,” he said. “This is their home, and we respect that. We are in this for the long term.”

Some money for renovations will be provided by the city’s housing department and the Housing Development Corporation, which released a joint statement on Monday after the auction. “In working to recapture affordable housing from overzealous speculators, we are acting affirmatively to preserve the diversity of our city over the long term,” the statement said.

Because of its hip-hop reputation, the building in 2007 was deemed eligible for listing on the National Register of Historic Places, though its owner declined to do so because that would put restrictions on its maintenance. The new owner plans to pursue a listing.

Representative José E. Serrano, who had lobbied with building residents in a failed attempt to buy the building in 2007, said he was “cautiously optimistic” about the auction.

“The new owners have committed to preserving the building as affordable housing, and to engage in efforts to better recognize the building’s historic status as the birthplace of hip-hop,” he said. “If taken, all of these steps will help revitalize and properly recognize this historic location.”