In the East Harlem section of Manhattan, a Minneapolis-based developer is partnering with a local community organization to produce affordable live/work units for artists and their families while promoting community development and preserving the neighborhood’s rich Latino cultural heritage.

Artspace, Inc., a national nonprofit real estate developer for the arts, and its local nonprofit partner and co-developer, El Barrio’s Operation Fightback, Inc. (Fightback), are renovating a long-vacant, historic school building to create 90 live/work units and more than 10,000 square feet of complementary space, including offices for arts, cultural, and educational organizations and a 2,500-square-foot “residents gallery” that can be used for art exhibitions by tenants and for meetings.

El Barrio’s Artspace PS109, as the development is called, is named after both the neighborhood (El Barrio, also known as Spanish Harlem or East Harlem) and the elementary school (Public School 109) that once occupied the building until it was decommissioned. El Barrio is regarded as the cultural capital of New York City’s Latino community.

Many Artists and Musicians

Shawn McLearen, Vice President of Properties at Artspace, said there’s a long tradition of artists and musicians living and working in El Barrio. But he added that many – in El Barrio and other parts of New York – have been squeezed by rising rents for housing and work space caused by gentrification. “Artists and families...have been deeply impacted in the communities...”
that they have been contributing to for so many years and are being priced out,” he says. “A lot of what Artspace does is to try to provide a sustainability matrix whereby artists and their families can continue to live in communities that they have been a part of for so long.”

Artspace defines artists very broadly, as individuals committed to and participating in the arts, even if they don’t earn their living this way. These include painters, sculptors, dancers, actors, musicians, writers, filmmakers, photographers, and others.

The seeds for PS109 were planted in 2004, when the Andy Warhol Foundation for the Visual Arts awarded the first of a series of grants to Artspace to identify sites for a live/work project for artists in New York City. After a two-year search through all five boroughs, meeting with public, cultural, nonprofit, and community officials and checking potential sites, Artspace officials were introduced – by New York City’s Department of Housing Preservation and Development – to Fightback, the perfect partner.

“Fightback has been involved in the El Barrio community for about 30 years,” says McLearen, “addressing all of the issues that we care about: affordable housing; social services; tenant protection...And they also introduced us to the building that had been decommissioned by the school construction authority, P.S. 109.”

Artspace helped pull together a large group of public, private, nonprofit, philanthropic, and community partners to shape, support, and fund the project. As part of a larger economic deal structure, the city sold the property to the developers for $1.

90 Live/Work Apartments

The apartments will be low-income housing tax credit housing, comprised of a mix of studio, one-bedroom, and two-bedroom units and ranging in average size from 480 to 980 square feet. According to Artspace, each unit has extra space – generally 100 to 150 square feet – that the artist can use as a studio.

Eighteen apartments will be rented to households making 38% or less of the area median income (AMI) and 71 rented to households making 58% or less of AMI. One unit will be for an onsite manager. At least half the apartments will be reserved for current El Barrio residents.

As is the case at Artspace’s other affordable housing developments, preference for occupancy will be given to artists. Applicants will be screened by a selection committee to determine their eligibility. McLearen expects the selection committee, made up of artists and non-artists and representatives of the community, Artspace, and Fightback, to be formed in the second quarter of 2014.

Construction, which began in the second quarter of 2012, is expected to be finished in the fourth quarter of 2014.

Fightback will manage the property.

Multiple Funding Sources

The $52 million project, Artspace’s largest so far, is being funded by a mix of tax credit equity, loans, and grants from public and private sources. The New York City Department of Housing Preservation Development (HPD) awarded 9% federal housing tax credits for the project, and the project will receive federal and state historic tax credits as well.

Raymond James Tax Credit Funds, Inc. is providing more than $24 million in tax credit equity. In addition to the land, HPD is providing $4.4 million. Other funding partners include the city’s Department of Cultural Affairs, the New York City Council, Capital One Bank, and numerous foundations (e.g., Ford, Rockefeller, ArtPlace, JP Morgan Chase Foundation, Deutsche Bank, New York Community Trust).

History, Architectural Features

Located on 99th Street and completed in 1898, the five-story school building was designed by Charles B.J. Snyder, an architect and superintendent of New York City school buildings who designed more than 140 elementary schools.

The H-shaped structure, boarded up in 1995, has many distinctive architectural features that are being
Invested in you.

City Real Estate Advisors, Inc. (CREA) is a full-service tax syndicator specializing in low income housing tax credits. For more than 13 years, we’ve helped provide equity in affordable, multifamily housing developments throughout the United States under Section 42 of the Internal Revenue Code.