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Christine Quinn's homeless-housing nonprofit reaches deal for Upper East Side project

Women in Need will lease 17 two-bedroom apartments that investors plan to build on the site of a recently purchased theater



By [Daniel Geiger](#)



A nonprofit provider of shelters and supportive housing for women and children has reached a deal to develop 17 new affordable apartments it will operate on the Upper East Side.

Women in Need, run by former City Council Speaker Christine Quinn, will lease the 17 two-bedroom apartments that investors plan to build on the site of a theater they purchased in recent weeks at 316 East 91st St. for roughly \$13.5 million. The property owners, including the investment firms RiverOak and Azimuth Development, plan to knock down the three-story structure to make way for a seven-story apartment building. Quinn's group will use the space to house homeless women and their children.

The seven-story project will hold 17 new affordable apartments.

The developers also filled the ground and basement floors, which together total about 6,000 square feet, with a day care facility called Sunshine Early Learning Center.

RiverOak and Azimuth are leasing the space to Women in Need below market rate to support the nonprofit's social mission. To make the roughly \$27.5 million project pencil out financially, the pair are participating in a facet of the city's inclusionary housing program that grants them development rights to sell within a half-mile radius or in the same community district as the affordable development. The pair received about 80,000 square feet and say they already have contracts or handshake agreements to sell those rights to several projects in the neighborhood.

"It's a great program because we're making no money off the leases and this project wouldn't be possible economically without the proceeds from the sale of the air rights," said Stephen DeNardo, the CEO and founder of RiverOak.

DeNardo said he couldn't disclose how much the two developers will net from the sale of the air rights because they're still in negotiations with buyers. He estimated that his firm will earn 150% on its investment in the deal, a lucrative return in the world of affordable housing development.

"We're expecting to get more calls to do deals like this," he said.

RiverOak and Azimuth did something similar earlier this year, buying a site at 320 East 60th St. where they are now building a 21-unit affordable building. Through the same inclusionary housing program, they received another roughly 80,000 square feet of development rights that they can sell in the neighborhood at market-rate prices.

"We saw the demand we received for the air rights on the East 60th Street project and that's part of why we felt confident to do another development like this," DeNardo said. "We knew there were buyers for these air rights."

The roughly 25,000-square-foot building RiverOak and Azimuth are raising at 316 East 91st St. is expected to be finished in 2018. They aim to finish 321 East 60th St. midway through 2017.

Quinn recently criticized City Hall for failing to stem the rise of the city's homeless population, which now includes 60,000 in shelters. Quinn pointed out that women and children make up 70% of shelter residents, Women in Need's target group. WIN has pushed to create more housing for them, recently [announcing two new full-service shelters](#) in Brooklyn.