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# Deal Aims to Keep a Former Welfare Hotel in Manhattan Affordable

Grace Notes

By JAMES BARRON    AUG. 14, 2016

Two chapters in two lives are being lived out in the tidy room on East 28th Street that Andrew Byrnes now calls home — two chapters that are different but entwined. One is the latest chapter in Mr. Byrnes’s life. His previous chapter was troubled, and troubling.

The other latest chapter is about the building itself, now well polished and carefully tended. Its previous chapter was so troubled that the building, a former hotel called the Prince George, was described as a 13-story eyesore and “hell’s embassy in Manhattan.”

Mr. Byrnes, 62, lives in the Prince George, between Fifth and Madison Avenues in Midtown. Nowadays the neighborhood gleams under the golden pyramid atop the New York Life Insurance Company Building and frolics amid the green of Madison Square Park.

The Prince George’s own spiffiness masks that earlier time, which included a descent into notoriousness as the city’s largest welfare hotel and its largest homeless shelter. By some accounts, it was even the nation’s largest. By 1986, 600 homeless families with 1,500 children had been squeezed into the Prince George and two nearby hotels, where more homeless people lived than in the city’s four other boroughs combined.

Some blamed the Prince George for the neighborhood's decline. Neighbors complained that the families were jammed into shoebox-size hotel rooms. They complained residential services like laundromats and grocery stores, not to mention playgrounds, were overwhelmed by the influx of residents. They complained that children with little to do pitched garbage from windows or played in the streets at all hours.

They also worried about crime on the block and in the Prince George itself. A violent holdup on one afternoon in 1986 turned into a chase that began on the ninth floor. In the street outside the building, the two armed robbers hijacked a passing car and shot at a taxi, apparently because it slowed their escape. The bullet missed the taxi driver, and after the two men ditched the car one was shot and killed by police officers.

The city began shutting down many welfare hotels following a 1987 court decision; in 1990, the Prince George was emptied out — the beginning of a quieter chapter. It was vacant for almost the rest of the decade.

Another chapter began in 1996, when the Prince George was taken over by a nonprofit group then known as Common Ground. It spent about \$40 million from city and state agencies and private sources, turning the Prince George into a residence for former homeless people and for lower-income working single adults.

Common Ground found unusual ways to raise money. It redid the cavernous ballroom, untouched since the 1980s, and began renting it out. "It had been a basketball court for kids who lived upstairs" in the 1980s, said David Beer, a vice president of the group, which is now called Breaking Ground.

Today the ballroom is a backdrop for wedding receptions and parties and, sometimes, television shows. Scenes for "Madam Secretary" and "The Real Housewives of New York City" have been shot there and in an adjacent gallery space, added when the ballroom was being restored. The top price for a 15-hour day is \$9,500, not including the cost of trash removal and security guards. Nonprofit groups are eligible for discounts.

But financial concerns remained as low-income federal tax credits expired in

2014. With Midtown Manhattan booming, the Prince George is a desirable address.

“We get a lot of calls saying, ‘We’d like to buy your building,’” Brenda E. Rosen, the president and chief executive of Breaking Ground, said. “We turn them all down,” she added, even though a sale could help the group, which runs more than a dozen other low-income residences in Manhattan, Brooklyn and the Bronx.

She and Mr. Beer began discussions with city housing officials about selling the building’s air rights. Usually, it is developers who seek permission to shift air rights from older buildings to new ones. But this time, it was the owner of an older building — the Prince George was built in 1904.

And so they worked out the latest chapter for the Prince George, a deal with the city that will let Breaking Ground sell the building’s air rights. Mr. Beer expects the total — some 372,000 square feet — to be divided among different developers and different projects.

“We retooled the preservation program,” said Louise Carroll, associate commissioner for housing incentives of the Department of Housing Preservation and Development. “The key here for the Prince George is the location. They could easily sell that building. We said, ‘We will give you air rights that you can sell within your area.’ Basically, this endows the Prince George for long-term affordability.”

City officials see the Prince George as another chapter in the ambitious affordable housing plan under Mayor Bill de Blasio, a Democrat. They are counting its 416 apartments toward the mayor’s goal of creating or preserving 200,000 units of affordable housing over 10 years.

Ms. Rosen sees a way to keep the Prince George’s commitment to affordability, while financing \$11 million in maintenance on the building — the facade needs work, as facades always do; the elevators need to be updated, as elevators always do; the roof needs to be replaced, as roofs always do; and a new emergency generator needs to be squeezed in. She expects to have money left over from air rights for a reserve fund to pay for capital repairs for generations, because the rent will not cover them. The reserve could also help if government rent subsidies are cut.

And Mr. Byrnes?

He has lived at the Prince George for four and a half years. He worked at the Metropolitan Museum of Art for 27 years, first as a guard, then as a maintenance specialist. For most of that time, he lived in an apartment in Sheepshead Bay, Brooklyn. Then, as the nation's financial crisis was receding, the building was sold, and his rent jumped to \$1,795 a month, from \$950.

"There's no way I could come up with that kind of money," he said.

Soon he was living through his darkest chapter, sleeping on benches in Sheepshead Bay and Marine Park. Someone at St. Mark Roman Catholic Church in Marine Park pointed him to Common Ground, and eventually to his \$250-a-month apartment at the Prince George.

"Air rights," he said the other day. He had not heard about the deal.

"Air rights," he repeated. "It sounds like something from a network." And before you could say "rabbit ears" or "station break," he was talking about his favorite shows, "48 Hours," and "The Big Bang Theory."

Ms. Rosen explained the concept of air rights, saying the sale would keep the building affordable.

"It's a very good thing," Mr. Byrnes said. "The last thing I could imagine is being homeless. I don't know if you remember 'The Twilight Zone.' It was a show where the worst things that could happen to people were always happening. I can't imagine being homeless again. That was the worst thing."