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## A Makeover Plan, Up Close

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NEWARK

UNDER a plastic party tent set up on a muddy corner lot at Broad Street and Third Avenue one recent rainy day, Mayor [Cory A. Booker](#) stepped on the ceremonial groundbreaking shovel and waxed eloquent about the mixed-income housing to be built there: condominiums, side by side with affordable rentals and 10 “special needs” units.

“This is the kind of project that reflects our values,” Mr. Booker said of the \$10.2 million development called Harmony Square, involving rehabilitation of a 100-year-old abandoned building and new construction. “It is a part of a relentless focus on creating housing complexes to represent every income level from our city.”

Alluding to the bleak economic picture — along with the gloomy weather — the mayor said, “Even on the darkest of days, Newark is showing its light.”

The statement had its oratorical flourishes, but it did indicate the progress being made in converting Newark’s empty lots and abandoned buildings into new housing, despite a crushing recession.

Through partnerships with nonprofit groups and philanthropists, including the rocker [Jon Bon Jovi](#), and by helping developers to package state and local financing programs to lure private investment, the Booker administration has generated about 600 new or renovated “affordable” units since taking office in July 2006, according to its chief development officer, Stefan Pryor, who is the deputy mayor. That is more than double the pace of affordable-housing development under the previous administration, Mr. Pryor said.

At the Broad Street site, city officials spoke not only of housing goals being furthered, but also of efforts to employ Newark residents (the local unemployment rate hit 14.3 percent last summer, a 15-year high), and to help minority contractors build track records.

The developers of the Harmony Square project are two Newark women: Maria Yglesias and Maria Del Mar Lopez, both born in [Spain](#) and reared in [New Jersey](#). The “two Marias,” as they are known in the trade, founded their company, M & M Development, in 1997 and have built several smaller projects in Newark, Camden and elsewhere.

Work is beginning on the first phase of Harmony Square: construction of a five-story building with 24 condominiums on what is now an empty lot, and rehabilitation of a century-old abandoned structure to create 16 rental units.

A second phase of the project, which will get under way next year, is to add 21 more condos in a three-story building on another vacant lot.

The first condo building will have nine units set aside as “affordable,” available only to buyers who earn less than 72 percent of the median area income, who are eligible for state and federal mortgage assistance, said Ms Yglesias.

All of the rental units are designated as “affordable,” and 10 of the 16 are to be set aside as “supportive” housing for victims of domestic violence or those who have been homeless and mentally ill. The units will range in size from one-bedroom one-bath to three-bedroom two-bath, and the complex will be outfitted with a roof garden, a fitness center and a clubhouse.

Ms. Lopez said the original plan had been for market-rate rental housing. But the recession undid the financing for that deal. The current financing involves a combination of public funds and bank loans, assembled under the auspices of Newark’s nonprofit development arm, the Brick City Development Corporation.

Local and state financing programs are also being marshaled to provide low rents, according to Mr. Pryor.

As for buyers, state-qualified low- and moderate-income residents will be able to purchase condos for \$75,000 to \$175,000, the developers said. The market-rate units will start at \$151,000. Also, buyers will be eligible for property tax abatements for 5 to 15 years.

Standing at the edge of the tent at the groundbreaking, Ms. Lopez gazed across the street at the ruined old hotel building, with its gaping holes in the roof, and said the goal of her company was to create “affordable housing that is also beautiful.”

Ms. Yglesias added, “We want to preserve what is good, and to integrate all the parts of this city that we love.” She noted that the Harmony Square site was symbolically placed where the South and Central Wards connect.

Newark’s Central Ward, the heart of the city, is solidly African-American; the South Ward, though also predominantly African-American, has a substantial Spanish population, she noted.

On Broad Street, M & M will work with as many as half a dozen other local minority contractors who have been trained and bonded through the city’s development entity.

Mr. Pryor spoke of a Catch-22 faced by many small contractors who aspire to do larger projects, but cannot obtain bonding precisely because they have not done any large projects. “We are not only creating housing here,” Ms. Yglesias said. “We are creating jobs, and business.”

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