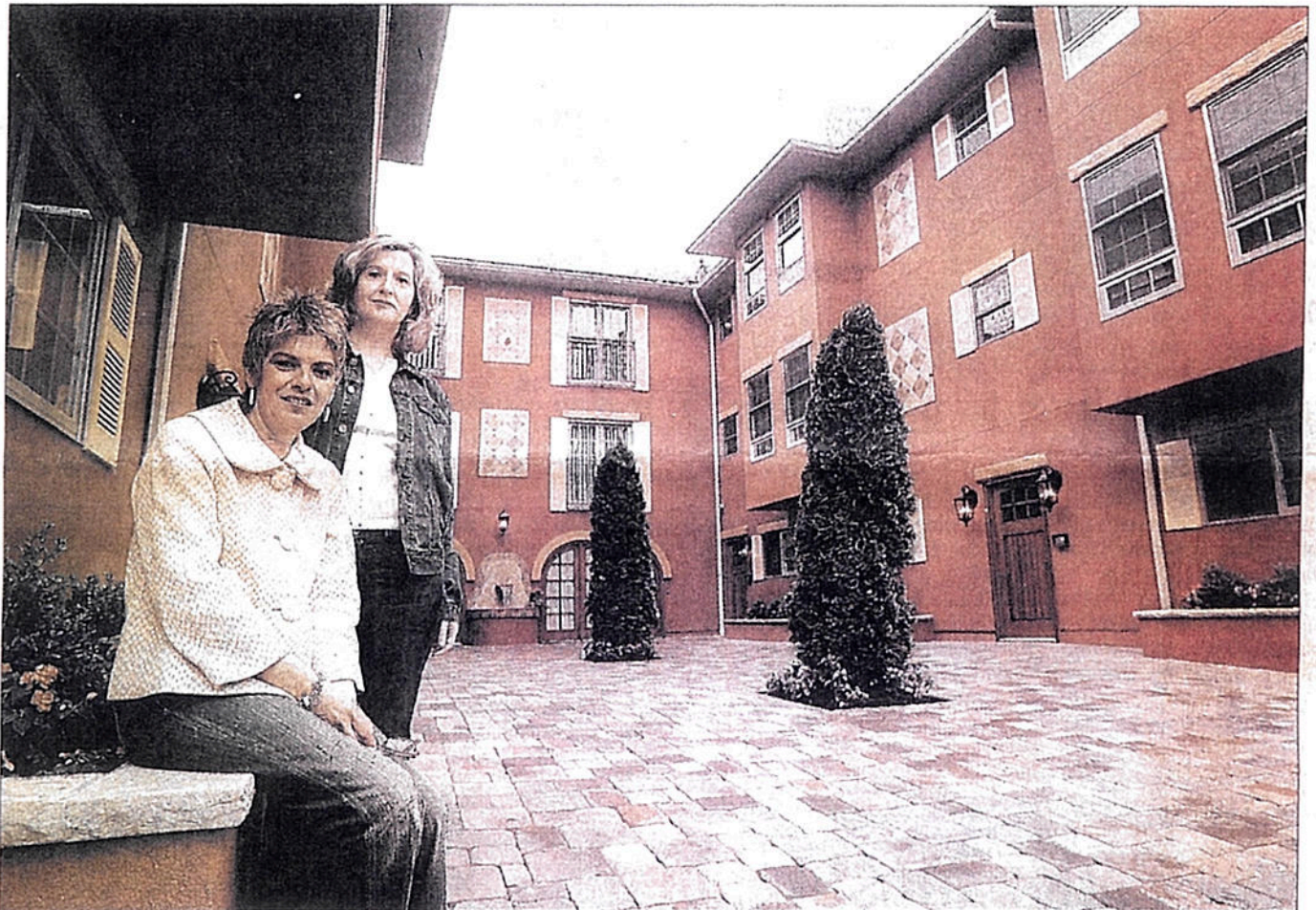


Building homes and hope



WILLIAM PERLMAN/THE STAR-LEDGER

Maria Del Mar Lopez, left, and Maria Yglesias, two real estate developers who overcame a lawsuit and other obstacles to build low-income housing in Newark, relax in the courtyard of the Villa Esperanza at Shephard Avenue in Newark.

Low-income complex in Newark has its tenants, others blooming with pride

BY RUSSELL BEN-ALI
STAR-LEDGER STAFF

The disturbance at Villa Esperanza, a colorful Mediterranean-style development of low-income apartment and townhouse rentals in Newark, began small, but soon rose in volume and pitch.

It was a concern for developers Maria Yglesias and Maria Del Mar Lopez, who raised \$5.6 million to rehabilitate the South Ward buildings after they were abandoned and

But this was no drug dispute.

As Yglesias tells it, "One kid pulled a tulip from the garden, to give to someone. And one of the tenants got upset."

The story, according to the developers, illustrates the pride homeowners and even rental tenants take in their homes and property, when offered attractive and well-designed housing at affordable prices, a staple of the entrepreneurs' building plans.

It also provides an emotional lift for the

ers, not narcotics.

Newark Mayor Sharpe James compared the once-abandoned buildings with those in "New Jack City," a film about Harlem-based crack dealers.

"Drugs, crime, prostitution, every bad element that you could think of," James said, providing a vivid description for officials and neighborhood residents who toured the two buildings this week. "And what did they do? They turned 'New Jack City' into New Hope Road."

The transformation wasn't easy.

In 2002, M&M Development was named in a lawsuit that nearly ruined it. The action sought to force developers of affordable housing projects to build them in predominantly

"My mouth is open; how beautiful this place is."

ENCARNACION LOUKATOS, PHILADELPHIA FEDERAL HOUSING OFFICIAL

HOMES

CONTINUED FROM PAGE 45

Property has people blooming with pride

white areas, providing mobility to some of the state's poorest citizens forced to live in the inner cities.

The suit filed by Fair Share Housing Center in Camden targeted urban developers who were awarded federal low-income housing tax credits distributed by the New Jersey Housing and Mortgage Finance Agency. Since 1987, HMFA has doled out more than \$220 million to nonprofit and for-profit developers of affordable housing through the sale of federal tax credits, including about \$5.1 million to M&M for Villa Esperanza.

To raise capital, M&M sold the credits to Newark-based Prudential Financial at a price of 66 cents per \$1, Robert Armstrong, M&M's financial adviser on the project, said.

The firm also has a \$1.4 million mortgage from HMFA and a second mortgage of \$305,000 from the city of Newark.

The lawsuit, which took more than a year to settle, slowed construction. And it took its toll on the developers, who were already a half-million dollars in debt and had put up much of their own money to finance Villa Esperanza, Spanish for "Village of Hope."

"We were totally victimized by the lawsuit," Yglesias said. "It cost us a lot of money because we had to defend ourselves and hire an attorney and all that."

Sometimes dubbed "the two Marias," or "the M&Ms" by city officials, Yglesias and Lopez are licensed contractors and longtime entrepreneurs.

Tall and blond, Yglesias, 49, came to the United States from Galicia, Spain, at age 20. She is the former owner of a clothing boutique and the company diplomat who is quick to pick up the microphone at city and corporate meet-

ings as she makes her pitch for discount land and loans.

Nicknamed "Mirimar," partner Lopez, 47, is shorter, with auburn hair. She is said to be a tough negotiator, demanding of contractors, and she shuns public speaking. She moved to Newark at age 11 from Santander, Spain, near Basque country, and was once the bookkeeper for a Newark auto-body shop she started with her husband.

"She's the one with the construction boots," Yglesias said.

They formed M&M Development in 1997 and since then have built scores of affordable units in Newark. In their first attempt, the women put together nine two-family homes, sold mostly to single mothers, at Mount Prospect and Seventh Avenues. In another, they built 13 houses in the Homestead Park area of Newark's South Ward.

Rents at the 44 units of Villa Esperanza range from about \$530 for a studio at 262 Shephard Ave., which is still unoccupied, to roughly \$900 for a three-bedroom,

1½-bath townhouse at the fully rented 315 Osborne Terrace. Tenancy is limited to low- and moderate-income working families.

The units are carefully planned and designed, with a European flair and, according to Lopez, in "Caribbean colors."

Between them, the buildings feature an outdoor fountain, hardwood floors, tiles imported from Italy, a paver-stone courtyard, wooden archways, insulated windows with ultraviolet-light protection and Fiberglas frames and video-camera security. Plantings include evergreens, roses, petunias, tulips and cherry trees.

"My mouth is open; how beautiful this place is," Encarnacion Loukatos, a Philadelphia federal housing official who toured the Shephard Avenue property, said. "This would be a wonderful building as market-rate housing."

Russell Ben-Ali may be reached at rbenali@starledger.com or (973) 392-5307.