



NEWS

New Hope for Notorious Hell's Kitchen Tenements as Nonprofit Takes Over

by **Dashiell Allen**

December 3, 2024

Four Hell's Kitchen tenements previously owned by one of the most notorious landlords in New York City, Steve Croman, are on their way to being fully remodeled by a nonprofit. However, major construction work still remains.



A bathtub in the kitchen is a common feature of old Hell's Kitchen tenements. Photo: Molly Stromoski for NYC Department of Housing Preservation and Development

The buildings (351-357 W45th St bw 8/9th Ave) were among the worst that Arlo Chase, senior vice president of real estate at Services for the Underserved (S:US) had ever seen when his nonprofit bought them for \$20 million in June.

“A lot of the doors were off the hinges, bricks were loose, there were mice, vermin, rats,” Chase told W42ST as we chatted on the sidewalk outside the apartments.

Some of the buildings, including 353 W45th Street, were difficult to enter due to the build up of pigeons and pigeon excrement, he recalled. The walls were covered in mold and a squatter lived on the first floor.



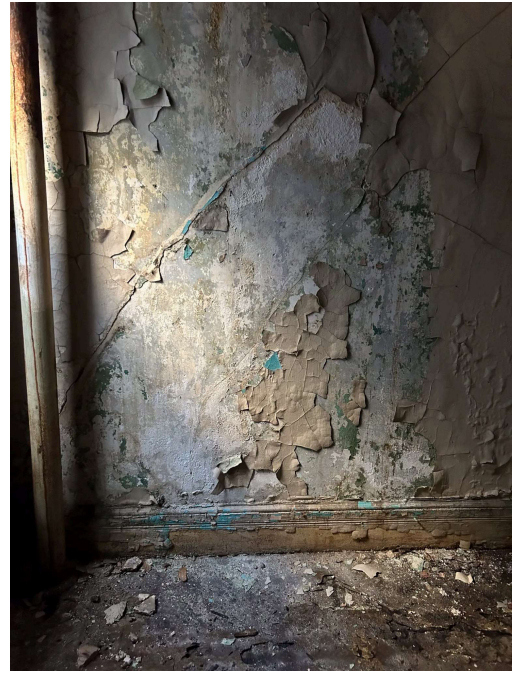
Arlo Chase, senior vice president of real estate for Service for the UnderServed. Photo: Dashiell Allen

Community leaders and tenants have complained for years about dangerous conditions at the buildings, holding protests and demanding city agencies take action while the properties racked up hundreds of Department of Housing Preservation and Development (HPD) violations.

During Croman's ownership of the buildings, HPD entered 24 litigation cases against him, including six for not providing heat and hot water. Croman also accrued over \$50,000 in charges from the City Department of Finance, and city agencies spent \$46,000 on emergency repairs after he failed to do so.

Of the 80 formerly rent-stabilized units, just 10 remain occupied. According to Chase, Croman's "whole business strategy was to get rid of all the tenants so he could convert [the properties] to market rate."

"It was a combination of neglect and active deterioration," he said.



Images taken during an HPD walkthrough after S:US purchased the buildings. Photos: Molly Stromoski for NYC Department of Housing Preservation and Development

In the past six months, conditions have greatly improved. On the day S:US acquired the buildings, they entered with a team of 50 people, secured doors and windows, and installed security cameras and an in-person security guard — who Chase said is no longer needed.

S:US acquired the buildings through a loan from HPD, and is working on the upgrades in collaboration with Highpoint Property Group and SMJ Development.

The developers performed emergency repairs for some of the 10 tenants, including replacing fridges and stoves and fixing heaters.



Condition of the buildings immediately after purchasing from Croman. Photo: Kevin Zhao/Highpoint

They plan to replace the roofs and several structural beams, which are in need of support. “The roof should have been replaced five to 10 years ago,” said Chase.

Heating systems and appliances will also be electrified, with new ventilation systems. The bill for the work is estimated at \$52 million, including \$18 million for construction and \$14 million for “soft costs,” including possibly relocating tenants, and paying consultants and attorneys.

Chase estimates that work could be completed by the summer of 2026. S:US plans to close on its construction funding in January or February, after which work will take an estimated 14 to 18 months.



Condition of the buildings immediately after purchasing from Croman. Photo: Kevin Zhao/Highpoint

When completed, the 70 unoccupied units in the buildings will be reserved for homeless families with City FHEPS vouchers, who pay 30% of their income on rent through a rental assistance program administered by the Department of Social Services.

The current tenants will be allowed to stay. “Some of the tenants have not wanted to engage with us for whatever reason,” said Chase. “But for the ones that we’re actively working with, the conditions are much better, and we’ve offered to relocate all of them during the construction period.”

S:US will combine the space underneath the four buildings to create offices and an exercise room. They plan to provide wellness and employment coaches and a family life specialist on-site.



The buildings at 351-357 W45th Street were officially purchased by S:US in June for \$20 million. Photo: Phil O'Brien

This is a new type of project for S:US, a nonprofit dedicated to helping people with disabilities living in shelters find permanent housing that controls over 100 buildings. In most cases they develop new buildings from the ground up, rather than acquiring them.

S:US's CityFHEPS contract is for 10 years, and the nonprofit signed a 40-year regulatory agreement with HPD to preserve the four buildings as affordable housing.

A spokesperson for HPD told W42ST in a statement, "Our job at HPD is to serve and protect New Yorkers by creating safe, livable homes and that's exactly what we're doing at 351-357 West 45th Street. The residents in these buildings deserve better, so we're hustling to turn these long-neglected buildings into much-needed affordable housing for New Yorkers, including homeless families, who will finally have a stable and safe place to call home."

“We’re signed up for the long term,” Chase said. “S:US is a mission-based organization, so we have no intention of doing otherwise.”

**Marisa**

December 3, 2024 at 9:00 am

We wonder what took so long. Croman was a notorious and infamous slumlord for decades. We dream of the day when these criminals are relieved of their properties for FREE and turned over to the nonprofit listed here.

Good work Arlo!

**Dale**

December 3, 2024 at 9:02 am

This is great news! These buildings have been a disaster for years. As someone who lives just down the block, however, I would love to see the new owner taking better care of the sidewalk and gutter in front of the building. I’m regularly cleaning up trash and leaves and it’s not my job, it’s the building owner’s job.

**TP**

December 3, 2024 at 9:30 am

Wonderful news! It should be easier to put landlords like Croman in jail. His degree of neglect endangered the lives of tenants in the building and in surrounding buildings who would suffer should the building collapse or catch fire.

**Home Les**

December 3, 2024 at 9:54 am

SUS is a joke. I’ve been waiting for a response from them since August when I turned in all the documents they requested including my birth certificate! They determined I qualified for services but since then NOTHING despite my repeated follow-up emails. SUS does NOT provide Services for the UnderServed. They just ignore the problem like everyone else.

**John**

December 3, 2024 at 7:30 pm

SUS is a terribly corrupt and fraudulent non-profit. I was a resident at one of their transitional houses where residents receive no services whatsoever and are made to pay 30% of their income plus forfeiting their snap and cash benefits to the facility to live in filthy overcrowded dormitories. 8 people in one tiny room. It’s deplorable. They call themselves “services for the under served” but it would be more accurate to call them exploiters of the under-served. I’m sure this project will be no different.

**Ala**

December 4, 2024 at 10:15 am

Tenants have to endure years of horrible conditions.

Finally there is “resolution” (supported housing) and the remaining rent-stabilized tenants are “allowed” to stay.

All those elected officials like Mark Levine who message about need for more development to get trickle-down affordable housing – but do nothing for people in deplorable housing, do nothing to save existing affordable housing.

**David**

December 7, 2024 at 10:34 am

Mark Levine is one of the reasons slumlords still exist and get away with their crimes. In a 30 minute meeting our community spearheaded with the Commissioner of HPD and elected leaders — a meeting coordinated by Erik Bottcher’s office — regarding the deplorable conditions at a building on 46th Street filth, roof leaks, flooding, harassment, and a recent fire started in the basement by squatters that could have resulted in the loss of human life, Mark showed up 25 minutes late, burst in, interrupting the meeting to shake hands, greet people, and make a few jokes. When I asked him to please hold off on greeting people because we were in the middle of our meeting discussing life and death issues he took umbrage with me and whispered to me that his office would never help me. I don’t need Mark’s help. But many do. Consider this when you see Mark’s name on any future ballots.

**PaulieAP**

December 4, 2024 at 10:07 pm

The Hell’s Kitchen slumlord is everywhere. On the next block a friend lives in an apt with slanted floors, crumbling ceilings, a rusted out bath tub, a linoleum floor that needs replacing, a hard wood floor with cracks, black mold in the bathroom and everything time the landlord is called it is a run around until they send someone and 9 out of 10 times that person will say: Oh i had no idea this is what you needed, I’ll be back and never comes back. They are waiting her out till she moves out.

**David`**

December 7, 2024 at 10:05 am

My name is David Stuart, I’m the President of HK45/46, a block association in Hell’s Kitchen covering 45th and 46th streets. A few facts: – SUS has been working with the residents and community in good faith and have thus far delivered everything they’ve committed to. Squatters and criminals have been removed, the residents are safe, and the buildings are cleaner and maintained. We are still waiting on some details of the contract from HPD, and when those details come out we will welcome a follow up interview with W42st. – Croman — like all slumlords — is a cancer on communities and the residents who live in his buildings. He destroys, debases, demeans, humiliates, and places human lives in jeopardy. Our block association worked with residents, elected leaders, the DA’s office, the court appointed Monitor assigned to oversee Croman after he was convicted of multiple felonies. The lack of will from City leaders and agencies to hold this man and other slumlords accountable for their actions was stunning, disheartening, and disappointing. Jumaane Williams office ghosted us, as did the mayor’s office. The Monitor rarely said a word or did anything to hold Croman accountable. When she did speak it was usually to tell the tenants and community how unfairly we were treating the slumlord and convicted felon. I found the lack of will appalling.

– Our community estimates slumlords cost the City millions of dollars and thousands of people-hours a year. If our City agencies and leaders looked at slumlords as a problem to solve we could solve it. We could hold them accountable and free up hundreds and perhaps thousands of apartments that are currently being “warehoused” which means the slumlords refuse to rent them, allow them to fall into disrepair so they can demolish the building and rebuild new.

– Croman is an example of how slumlords consistently get away with and profit off of debasing human beings. The DA will point to two recent arrests and jail terms as evidence that they are tough on these people, but there are hundreds of slumlords on Jumanne Williams list of worst landlords and a few months in jail for two of them isn't going to move the needle. These people know that no matter how low they go, they will get away with it.

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