

Nixed auction kills Gregg Singer's quest to redevelop East Village site

Mysterious buyer of property's debt submitted only bid



Gregg Singer and the former P.S. 64 at 605 East Ninth Street (Photos via Paul Dilakian)

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By [Keith Larsen](#)

Gregg Singer's decades-long quest to redevelop the former P.S. 64 appears to be over, but the drama is not.

A [bankruptcy](#) auction for the East Village school site has been canceled this week after the property failed to solicit any bids outside of a \$55 million credit bid from its lender.

Madison Realty Capital, the prior lender, recently sold the loan to an entity called 605 East 9th Community Holdings.

The entity has ties to Aaron Sosnick, a billionaire hedge funder who had been angling for years to acquire the property. The lender lists its point of contact as David Pfeffer, an attorney who represented Sosnick in past litigation. Singer also believes that Sosnick is behind 605 East 9th Community Holdings.

Madison initiated a [foreclosure](#) in 2018, alleging Singer failed to make mortgage payments. To stave off foreclosure, Singer in March put the five-story, 152,000-square-foot property [into bankruptcy](#). This year, Madison claimed to be owed over \$100 million with default interest.

Real estate adviser Hilco claims it marketed the property, spoke to over 50 people and conducted individual site tours for four separate groups. But it ultimately received no offers, according to a letter obtained by *The Real Deal*.

Buyers were turned off by the building's landmark status and the various difficulties Singer had obtaining building permits, according to Hilco. Others lost interest after reading about "the [billionaire neighbor](#) who wants to control the property."

Efforts to refinance the dilapidated building ended when Madison sold the loan at the 11th hour, according to Hilco. Singer also claims he had an agreement lined up to buy the loan from Madison for \$75 million by Oct. 31. That deal never materialized and Singer alleges Madison sold the loan to Sosnick at a discount.

Madison declined to comment.

Singer bought the East Village property at auction in 1998 when it was known as the Charas/El Bohio Community Center. He sought to turn it into student dormitories and inked deals with Cooper Union and Joffrey Ballet, but the city denied building permits citing a city rule that restricted what qualified as a dorm.

After losing Cooper Union and Joffrey, Singer lined up another tenant. Long Island-based Adelphi University hoped to use the site to house international students beginning in September 2018, but the Department of Buildings went quiet on the developer for eight months.

[Recently unearthed emails and texts](#) obtained by Singer through discovery show Sosnick made direct requests to city officials to deny Singer building permits. The emails also show that Mayor Bill de Blasio intercepted the Department of Buildings' decision to grant Singer's permits.

The mayor had sought to buy and redevelop the building and lease it to nonprofits. In one internal email that surfaced, then-Deputy Mayor Alicia Glen called the idea "nuts."

Litigation between Singer, the city and Sosnick is still pending. He is seeking over \$100 million in damages.

Singer blames Sosnick and the former mayor for preventing the property from being redeveloped.

“Aaron Sosnick has accomplished his documented goal by purchasing the underlying mortgage at a deep discount,” said Singer. “This kind of corruption and malevolent wrongdoing should not go unpunished. Unfortunately, Mayor de Blasio allowed himself to be bought in allowing this to happen.” Sosnick and Pfeffer did not return a request for comment. The city declined to comment.