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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re:

Chapter 11  
Case No. 24-23086(KYP)

VALDESIA GARDENS HOUSING  
DEVELOPMENT FUND CORPORATION,

Debtor.  
-----X

**DECLARATION OF DAVID GOLDWASSER PURSUANT TO  
LOCAL BANKRUPTCY RULE 1007-2**

DAVID GOLDWASSER, under penalties of perjury, hereby declares and states as follows:

1. I am the Chief Restructuring Officer of Valdesia Gardens Housing development Fund Corporation, the above captioned debtor (the "Debtor"), and I submit this Declaration pursuant to Rule 1007-2 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York.

**PART I**

**BACKGROUND**

2. Formed in 2017, the Debtor is a domestic not-for-profit corporation formed under Section 573 of the New York Private Housing Finance Law to acquire title to and redevelop the property located at 569-575 Prospect Avenue, Bronx, New York 10455 (the "Property"). The Property consists of a 50,000 square foot, seven story building which is currently vacant and 85% complete.

3. The Debtor acquired the Property with approximately \$3,000,000 invested by the Debtor's original principal Luis Baez (now deceased) and additional funding through (a) additional capital contributions from board members Leopold Baez and Emanuel Kambanis and (b) obtaining secured loans from Community Preservation Corporation pursuant to 2 multi-family construction notes, a mutli-family project note and 3 accompanying mortgages that were given to the Debtor and its sole member, as co-obligors, from CPC's affiliate, CPC Funding SPE 1 LLC ("CPC"), on June 27, 2017 in the original principal amounts of \$6,366,625.00, \$5,625,000 and \$1,676,375.00, respectively, which mortgages were recorded in the Bronx County Clerk's Office where the property is located.

4. The Debtor intended to develop the Property into a community focused multi-family, mixed use property with approximately 45 rental residential units and first floor commercial rental units.

5. Unfortunately, the Debtor was only able to complete 85% of the project, with an additional \$6 million still need to complete the project, which completion, upon funding, is expected to take approximately 9 months to complete.

6. The Debtor estimates the current value of the Property to be approximately \$25 million, with its value to increase to \$25 to \$30 million upon completion.

7. Due to the Debtor's inability to complete the project due to its exhaustion of capital and the CPC financing, CPC obtained a foreclosure judgment against, inter alia, the Debtor on or about September 24, 2024 in the unpaid principal amount of \$17,946,032.72 as of March 31, 2024, together with interest, costs, attorneys fees and post-judgment interest at the statutory rate of 9% per annum. A foreclosure sale was scheduled for December 16, 2024 at 2:30 p.m.

8. To preserve the Debtor's interest in the Property, on December 13, 2024, I

authorized the Debtor to file for Chapter 11 bankruptcy protection in the Southern District of New York.

9. The Debtor intends to utilize the Chapter 11 process to first make the necessary completions (subject to its ability to obtain financing) and then embark on a robust marketing campaign to lease out, finance or, if necessary, sell the Property through bankruptcy process and, if necessary, an auction sale, thereby giving creditors the best opportunity to be paid in full.

10. The Debtor intends to, inter alia, promptly hire a real estate broker in order to achieve the above goal.

11. If a plan can be consummated expeditiously in bankruptcy, the creditors will likely have the best chance of a recovery through a Chapter 11 plan of reorganization.

12. The Debtor therefore submits that the filing of the Chapter 11 case was necessary to preserve the value of the estate and maximize a return to its creditors.

13. The needs and interests of the Debtor's creditors will best be served by the continued possession of their property and management of their affairs as debtor-in-possession under Chapter 11 until a restructuring plan that incorporates the market and sale process of the Property can be formulated and presented to creditors.

## **PART II**

### **INFORMATION REQUIRED BY LOCAL BANKRUPTCY RULE 1007**

15. In addition to the foregoing, S.D.N.Y. Local Bankruptcy Rule 1007-2 requires certain information related to the Debtor, which is set forth below.

#### **Local Rule 1007-2(a)(1)**

16. The Debtor's management operates at 48 Carthage Road, Scarsdale, New York 10583. The Debtor's principal assets are the Property.

**Local Rule 1007-2(a)(2)**

17. This case was not originally commenced under Chapter 7 or 13 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”).

**Local Rule 1007-2(a)(3)**

18. Upon information and belief, no committee was organized prior to the order for relief in this Chapter 11 case.

**Local Rule 1007-2(a)(4)**

19. A list of the names and addresses of the Debtor’s 20 largest unsecured claims, excluding those who would not be entitled to vote at a creditors’ meeting and creditors who are “insiders” as that term is defined in §101(31) of the Bankruptcy Code is annexed as **Schedule I**.

**Local Rule 1007-2(a)(5)**

20. A schedule of the Debtor’s 5 largest secured creditors is annexed as **Schedule II**.

**Local Rule 1007-2(a)(6)**

21. A summary of the Debtor’s consolidated assets and liabilities is annexed hereto as **Schedule III**.

**Local Rule 1007-2(a)(7)**

22. There are no publicly held securities of the Debtor.

**Local Rule 1007-2(a)(8)**

23. None of the Debtor’s property is in the possession or custody of any custodian, public officer, mortgagee, pledgee, assignee of rents or secured creditor.

**Local Rule 1007-2(a)(9)**

24. The Debtor owns the Property.

**Local Rule 1007-2(a)(10)**

25. The Debtor's books and records and substantial assets are located at the Debtor's office at 48 Carthage Road, Scarsdale, New York.

**Local Rule 1007-2(a)(11)**

26. All suits or proceedings in which the Debtor is named as a party are listed in the Debtor's Statement of Financial Affairs being filed with this Declaration.

**Local Rule 1007-2(a)(12)**

27. The Debtor is currently managed by David Goldwasser as CRO and Alexis Baez as board member.

**Local Rule 1007-2(b)(1) and (2)**

28. The Debtor currently has no employees.

29. The Debtor's estimated gross weekly payroll and payments to managers, members, and directors for the thirty (30) day period following the Chapter 11 petition is 0.

30. The Debtor's estimated payroll to non-manager/non-insider employees for the thirty (30) day period following the Chapter 11 petition is approximately \$0.

**Local Rule 1007-2(b)(3)**

31. A schedule, for the 30-day period following the filing of the chapter 11 petition, of estimated cash receipts and disbursements, net cash gain or loss and obligations expected to accrue but remain unpaid, other than professional fees is annexed as **Schedule IV**.

**CONCLUSION**

Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury that the foregoing is true and correct.

Dated: December 13, 2024

/s/ David Goldwasser  
David Goldwasser, CRO

**SCHEDULE I**

**DEBTOR'S TWENTY LARGEST UNSECURED CREDITORS**

**See Attached**

Fill in this information to identify the case:

Debtor name Valdesia Gardens Housing Development Fund Corporation  
 United States Bankruptcy Court for the: SOUTHERN DISTRICT OF NEW YORK  
 Case number (if known): \_\_\_\_\_

Check if this is an amended filing

**Official Form 204**

**Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders** 12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
Bayport Construction Corp. c/o Muchmore & Assocs PLLC 217 Havemeyer St 4th Floor Attn: Garrett Cusack, Esq. Brooklyn, NY 11211		Mechanics Lien	Disputed			\$146,289.00
CPC Funding SPE 1 LLC c/o Windels Marx Lane & Mittendorf 156 W. 56th Street Attn: Daniel F. Corrigan, Esq. New York, NY 10019		569-575 Prospect Ave., Bronx, NY	Unliquidated	\$19,000,000.00	\$15,000,000.00	\$4,000,000.00
Environmental Control Board Box 2339 Peck Slip Station Road New York, NY 10272		569-575 Prospect Ave., Bronx, NY	Unliquidated	Unknown	\$0.00	Unknown
Internal Revenue Service P.O. Box 3000 Church St. Station New York, NY 10008		569-575 Prospect Ave., Bronx, NY	Unliquidated	\$1,200,000.00	\$15,000,000.00	\$1,200,000.00
Modern Construct & Steel, Inc. 28 Derick Court Staten Island, NY 10309		569-575 Prospect Ave., Bronx, NY	Unliquidated Disputed	\$222,022.00	\$15,000,000.00	\$222,022.00

Debtor **Valdesia Gardens Housing Development Fund Corporation**  
Name

Case number (if known)

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services,	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
NYC Housing Preservation Development c/o NYC Law Department 100 Church Street 20th Floor New York, NY 10007		569-575 Prospect Avenue, Bronx, NY	Unliquidated	\$2,000,000.00	\$15,000,000.00	\$2,000,000.00
The Reliable Automatic Sprinkler Co. c/o Block, Longo, LaMarca & Brezenski PC 200 Delaware Avenue, Ste 1200 Attn: Christopher Cardillo, Esq. Buffalo, NY 14202			Disputed			\$22,349.37

**SCHEDULE II**

**DEBTOR'S FIVE LARGEST SECURED CREDITORS**

**(See Attached)**

Fill in this information to identify the case:

Debtor name Valdesia Gardens Housing Development Fund Corporation  
 United States Bankruptcy Court for the: SOUTHERN DISTRICT OF NEW YORK  
 Case number (if known) \_\_\_\_\_

Check if this is an amended filing

Official Form 206D

**Schedule D: Creditors Who Have Claims Secured by Property**

12/15

Be as complete and accurate as possible.

1. Do any creditors have claims secured by debtor's property?

- No. Check this box and submit page 1 of this form to the court with debtor's other schedules. Debtor has nothing else to report on this form.
- Yes. Fill in all of the information below.

**Part 1: List Creditors Who Have Secured Claims**

2. List in alphabetical order all creditors who have secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim.

**2.1 CPC Funding SPE 1 LLC**

Creditor's Name  
**c/o Windels Marx Lane & Mittendorf**  
**156 W. 56th Street**  
**Attn: Daniel F. Corrigan, Esq.**  
**New York, NY 10019**

Creditor's mailing address

Creditor's email address, if known

Date debt was incurred

Last 4 digits of account number

Do multiple creditors have an interest in the same property?

- No
- Yes. Specify each creditor, including this creditor and its relative priority.

Describe debtor's property that is subject to a lien  
**569-575 Prospect Ave., Bronx, NY**

Describe the lien

**Foreclosure Judgment**

Is the creditor an insider or related party?

- No
- Yes

Is anyone else liable on this claim?

- No
- Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

As of the petition filing date, the claim is:  
 Check all that apply

- Contingent
- Unliquidated
- Disputed

Column A

Amount of claim

Do not deduct the value of collateral.

**\$19,000,000.00**

Column B

Value of collateral that supports this claim

**\$15,000,000.00**

**2.2 Environmental Control Board**

Creditor's Name  
**Box 2339**  
**Peck Slip Station Road**  
**New York, NY 10272**

Creditor's mailing address

Creditor's email address, if known

Date debt was incurred

Describe debtor's property that is subject to a lien  
**569-575 Prospect Ave., Bronx, NY**

Describe the lien

**Judgment Liens**

Is the creditor an insider or related party?

- No
- Yes

Is anyone else liable on this claim?

- No
- Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

**Unknown**

**\$0.00**

Debtor **Valdesia Gardens Housing Development Fund Corporation**  
Name

Case number (if known) \_\_\_\_\_

Last 4 digits of account number \_\_\_\_\_

Do multiple creditors have an interest in the same property?  
 No  
 Yes. Specify each creditor, including this creditor and its relative priority.

As of the petition filing date, the claim is:  
Check all that apply  
 Contingent  
 Unliquidated  
 Disputed

**2.3 Internal Revenue Service**

Creditor's Name  
**P.O. Box 3000  
Church St. Station  
New York, NY 10008**

Creditor's mailing address

Creditor's email address, if known \_\_\_\_\_

Date debt was incurred \_\_\_\_\_

Last 4 digits of account number \_\_\_\_\_

Do multiple creditors have an interest in the same property?  
 No  
 Yes. Specify each creditor, including this creditor and its relative priority.

Describe debtor's property that is subject to a lien  
**569-575 Prospect Ave., Bronx, NY**

\$1,200,000.00

\$15,000,000.00

Describe the lien  
**Federal Tax Lien**

Is the creditor an insider or related party?

No  
 Yes

Is anyone else liable on this claim?

No  
 Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

As of the petition filing date, the claim is:  
Check all that apply  
 Contingent  
 Unliquidated  
 Disputed

**2.4 Modern Construct & Steel, Inc.**

Creditor's Name  
**28 Derick Court  
Staten Island, NY 10309**

Creditor's mailing address

Creditor's email address, if known \_\_\_\_\_

Date debt was incurred \_\_\_\_\_

Last 4 digits of account number \_\_\_\_\_

Do multiple creditors have an interest in the same property?  
 No  
 Yes. Specify each creditor, including this creditor and its relative priority.

Describe debtor's property that is subject to a lien  
**569-575 Prospect Ave., Bronx, NY**

\$222,022.00

\$15,000,000.00

Describe the lien  
**Mechanics Lien**

Is the creditor an insider or related party?

No  
 Yes

Is anyone else liable on this claim?

No  
 Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

As of the petition filing date, the claim is:  
Check all that apply  
 Contingent  
 Unliquidated  
 Disputed

**2.5 NYC Housing Preservation Development**

Describe debtor's property that is subject to a lien

\$2,000,000.00

\$15,000,000.00

Debtor **Valdesia Gardens Housing Development Fund Corporation**  
Name

Case number (if known) \_\_\_\_\_

Creditor's Name  
**c/o NYC Law Department  
100 Church Street  
20th Floor  
New York, NY 10007**  
Creditor's mailing address

**569-575 Prospect Avenue, Bronx, NY**

Creditor's email address, if known

Date debt was incurred

Last 4 digits of account number

Do multiple creditors have an interest in the same property?  
 No  
 Yes. Specify each creditor, including this creditor and its relative priority.

Describe the lien  
**HPD Lien**  
Is the creditor an insider or related party?  
 No  
 Yes  
Is anyone else liable on this claim?  
 No  
 Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

As of the petition filing date, the claim is:  
Check all that apply  
 Contingent  
 Unliquidated  
 Disputed

3. Total of the dollar amounts from Part 1, Column A, including the amounts from the Additional Page, if any.

**\$22,422,022.  
00**

**Part 2: List Others to Be Notified for a Debt Already Listed in Part 1**

List in alphabetical order any others who must be notified for a debt already listed in Part 1. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for secured creditors.

If no others need to be notified for the debts listed in Part 1, do not fill out or submit this page. If additional pages are needed, copy this page.

Name and address

On which line in Part 1 did you enter the related creditor?

Last 4 digits of account number for this entity

**Windels Marx Lane & Mittendorf  
156 West 56th Street  
Attn: Mark A. Slama, Esq.  
New York, NY 10019**

Line 2.1

**SCHEDULE III**

**SUMMARY OF ASSETS AND LIABILITIES**

(See Attached)

Fill in this information to identify the case:

Debtor name Valdesia Gardens Housing Development Fund Corporation  
 United States Bankruptcy Court for the: SOUTHERN DISTRICT OF NEW YORK  
 Case number (if known) \_\_\_\_\_

Check if this is an amended filing

**Official Form 206Sum**  
**Summary of Assets and Liabilities for Non-Individuals**

12/15

**Part 1: Summary of Assets**

1. **Schedule A/B: Assets-Real and Personal Property** (Official Form 206A/B)

1a. <b>Real property:</b> Copy line 88 from <i>Schedule A/B</i> .....	\$ <u>15,000,000.00</u>
1b. <b>Total personal property:</b> Copy line 91A from <i>Schedule A/B</i> .....	\$ <u>0.00</u>
1c. <b>Total of all property:</b> Copy line 92 from <i>Schedule A/B</i> .....	\$ <u>15,000,000.00</u>

**Part 2: Summary of Liabilities**

2. <b>Schedule D: Creditors Who Have Claims Secured by Property</b> (Official Form 206D) Copy the total dollar amount listed in Column A, <i>Amount of claim</i> , from line 3 of <i>Schedule D</i> .....	\$ <u>22,422,022.00</u>
3. <b>Schedule E/F: Creditors Who Have Unsecured Claims</b> (Official Form 206E/F)	
3a. <b>Total claim amounts of priority unsecured claims:</b> Copy the total claims from Part 1 from line 5a of <i>Schedule E/F</i> .....	\$ <u>0.00</u>
3b. <b>Total amount of claims of nonpriority amount of unsecured claims:</b> Copy the total of the amount of claims from Part 2 from line 5b of <i>Schedule E/F</i> .....	+\$ <u>168,638.37</u>
4. <b>Total liabilities</b> ..... Lines 2 + 3a + 3b	\$ <u>22,590,660.37</u>

**SCHEDULE IV**  
**30 DAY ESTIMATED INCOME AND EXPENSES**

Income: \$0

Expenses:

RE Taxes (Pro Rated) - \$3,116

Insurance (Pro Rated) - \$2,000