



Jonathan Rose Companies

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L+M Development Partners, Jonathan Rose Companies & Acacia Network Secure \$223 Million in Financing for Phase One of Sendero Verde, a 100 Percent Affordable Passive House Development in East Harlem

Construction is expected to start in the coming weeks on 360 units of affordable housing, a school, social service and public open spaces as part of what's expected to be largest passive house project in the country

New York, NY (July 10, 2019) — L+M Development Partners, Jonathan Rose Companies and Acacia Network today announced the closing of \$223 million in financing for phase one of Sendero Verde, a 100 percent affordable mixed-use development in East Harlem. Across all phases the project will include nearly 700 units of affordable housing, community and social service space, a school, publicly accessible open space, community gardens, and neighborhood retail. Expected to be the country's largest development to meet Passive House energy efficiency standards, Sendero Verde's community offerings, architecture and landscape elements will provide a unique model for the creation of sustainable mixed-income communities through innovative public-private partnerships. Phase one of the project is expected to begin construction in the coming weeks and be completed in 2022. Sendero Verde was designed by Handel Architects.

The \$223 million phase one of Sendero Verde was financed with construction loans from the New York City Housing Development Corporation and the New York City Department of Housing Preservation and Development, with additional Resolution A funding from the New York City Council and grant funding from NYSERDA. The project is also funded through a letter of credit from Bank of America and a syndication of federal low-income housing tax credits and solar investment tax credits as well as New York State Brownfield Tax Credits to Bank of America.

"With its cutting-edge sustainable features, deep affordability and array of offerings for the community, Sendero Verde will be a Passive House at the forefront of affordable housing development, and is exactly the type of project we strive to develop under Housing New York. We're transforming one of our largest remaining sites in Manhattan into hundreds of new affordable homes for low-income families, along with open space, community space, a new school, and critical supportive services for vulnerable New Yorkers." said **HPD Commissioner Louise Carroll**. "I thank all of our partners in the community, our sister agencies, and the local elected officials who have each taken a hand in crafting this project, and I look forward to our continued work together throughout the development process."

“Sendero Verde serves as a model of what we can achieve under the Housing New York plan for our lowest income New Yorkers, while also providing an important asset that will benefit the community for generations,” said **HDC President Eric Enderlin**. “HDC is proud to have contributed \$120 million in bond financing and subsidy to the first phase of this dynamic project and we look forward to collaborating with all our valued partners to bring these 360 energy-efficient, affordable homes to the East Harlem neighborhood.”

“Sendero Verde will bring deeply affordable housing to East Harlem, along with much-needed open space, 3 new community gardens, community facilities, and a new school. This project is a prime example of how development can prioritize both affordability and sustainability,” said **Council Member Diana Ayala**. “I look forward to the project’s completion and thank HPD, HDC, Acacia Network, Community Board 11, and my predecessor, Melissa Mark-Viverito, for their work on this endeavor.”

“Sendero Verde really shows what can be accomplished when government and committed private sector partners collaborate to create not just critically needed affordable housing for a range of incomes including the formerly homeless, but also high-quality open space, social and healthcare services rooted in the community and construction that sets a new national standard for green building,” said **L+M Development Partners CEO & Founding Partner Ron Moelis**. “We hope this project will be a true asset for both current East Harlem residents and those who will soon call Sendero Verde home. Thanks to our partners at HPD, HDC, Jonathan Rose Companies, Acacia Network, and Bank of America for seeing the project through to this milestone.”

“Sendero Verde was conceived as a complete community of opportunity, a model of the future of affordable housing,” said **Jonathan Rose Companies President Jonathan F.P. Rose**. “We hope that in the future, all affordable housing has these Green and community serving elements to support its residents’ well-being and opportunities.”

“Acacia Network is truly proud to be a part of this innovate and forward-thinking development team,” said **Acacia Network President & CEO Raul Russi**. “As part owners and in partnering with L+M and Jonathan Rose Companies on Sendero Verde, Acacia can continue its long-standing success in providing integral and integrated health, educational, cultural and supportive services to that Latino community in East Harlem,” “As a non-profit, Latino-based organization, our partners have impressively committed to continuing the rich, cultural tradition that our residents, trailblazers, musicians, artist and activists have created and nourished in East Harlem. Our organization’s valuable input throughout the design and community engagement process will make this project a success and a model to be replicated in communities throughout the city and state.”

Phase one of Sendero Verde will include 360 units of affordable housing and one superintendent’s unit spread across buildings B-North and B-South, space for a school with a full gymnasium, an area for the venerable community pillar Union Settlement Association, and an 18,000-square foot publicly accessible courtyard featuring a children’s play area, adult outdoor exercise equipment, seating areas and a stage for community events. Additionally, community garden groups that previously inhabited the vacant lot on which Sendero Verde is being constructed are being relocated within the development in coordination with NYC Parks’ GreenThumb program and local community garden groups.

Through L+M, Jonathan Rose Companies and Acacia’s commitment to affordability, phase one of Sendero Verde will provide 30 percent of units to serve extremely low-income households, including many that were formerly homeless. Another 20 percent of units will be available for families earning less than 50 percent area median income (AMI). The remaining units will all be affordable to households earning 60 percent AMI, 80 percent AMI and 90 percent AMI.

Building off the project's commitment to serving the East Harlem community, the developers have partnered with PROMESA Inc, an affiliate of Acacia Network, which has been an integral part of the East Harlem community for over 60 years and with extensive expertise in supportive housing. PROMESA Inc. will provide social services for the project's formerly homeless population and will run a robust on-site social services program, including offering access to a resident social services director, occupational therapists, housing specialists, case managers, art and dance classes, and 24-hour security. In order to accommodate the social services program, Sendero Verde will include 2,700 square feet of dedicated space for PROMESA Inc., including eight private offices, a medical exam room and a conference room.

Upon completion of its second phase, Sendero Verde is expected to be the largest development in the nation to meet Passive House standards, thanks to its utilization of air-tight construction to reduce draft and energy loss, triple-glazed windows, mechanically ventilated spaces with energy recovery and individually heated and cooled units. With its sustainable design and the integration of green spaces and gardens, Sendero Verde is expected to use 60-70 percent less energy than a similar building normally would.

“By creating affordable, sustainably designed housing, we can work to both break the cycle of poverty that disrupts so many people’s lives, and dramatically reduce the carbon footprint of large buildings,” **said Handel Architects Partner Blake Middleton.** “It matters what choices we make when we design buildings, especially choices that affect energy use and resiliency. Reducing the carbon footprint of buildings is no longer optional. We view each project we design as a catalyst for positive environmental and social change, and the Sendero Verde project exemplifies this approach.”

Phase two of Sendero Verde will include approximately 350 additional units of 100 percent affordable housing serving a variety of income tiers.

Once both phases are completed, Sendero Verde is anticipated to offer a community center, school, healthcare and other community service uses and numerous green spaces and open spaces for East Harlem.

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About L+M Development Partners

Since its inception in 1984, L+M Development Partners, Inc. has been an innovator in developing quality affordable, mixed-income and market rate housing, while improving the neighborhoods in which it works. A full-service firm, L+M works from conception to completion, handling development, investment, construction and management with creativity that leads the industry. L+M is responsible for more than \$7 billion in development and investment, and has acquired, built or preserved more than 22,000 high-quality residential units in New York's tristate area, the West Coast and Gulf Coast regions. L+M is a double bottom line company, where its success is measured not only in financial returns but also by positive impacts. For more information, please visit: <https://lmdevpartners.com/>

About Jonathan Rose Companies

Jonathan Rose Companies is one of the country's leading developers and investors in sustainable, affordable and mixed-income multifamily real estate, with nearly 15,000 units owned or managed. Founded in 1989, Jonathan Rose Companies is a mission-driven company focused on enhancing

the health and wellness of our residents through its Communities of Opportunities programming, while also working to make its properties greener and more energy efficient. With offices in New York, Connecticut, Colorado, California and Ohio, Jonathan Rose Companies has developed or acquired more than \$2.5 billion of real estate. For more information, visit www.rosecompanies.com.

About Acacia Network

Acacia Network, an integrated care organization with offices in New York City, Buffalo, Albany, and Syracuse in New York State, as well as Florida, Maryland, Tennessee, Georgia, Connecticut, and Puerto Rico, is the leading Latino integrated care non-profit in the nation. Our mission is realized through three main service delivery systems: Primary Health Care, Behavioral Health Care, and Housing. Through its affiliates, the Network has developed and rehabilitated approximately 1,903 residential units totaling almost \$280 million in total development costs in the Bronx, Manhattan and Puerto Rico. For more information, visit acacianetwork.org.