



Jonathan Rose Companies



## Jonathan Rose Companies, L+M Development Partners & Acacia Network Secure \$223M in Financing for Phase Two of Sendero Verde

*100% Affordable Housing, 709-Unit Passive House Development in East Harlem to Feature School, Social Services and Public Open Spaces*

**New York, NY** - (June 29, 2021) —Jonathan Rose Companies, L+M Development Partners and Acacia Network today announced the closing of \$223 million in financing for the second and final phase of Sendero Verde, a 100 percent affordable mixed-use Passive House and Enterprise Green Communities certified development in East Harlem that features 709 units of affordable housing, community and social services space, a school, publicly accessible open space, community gardens, and neighborhood retail.

Phase two of Sendero Verde will include 347 units of affordable housing serving a variety of income tiers, from formerly homeless to 90% of Area Median Income, as well as one superintendent's unit. Once both phases are completed, Sendero Verde will include a senior and youth community center, school, community art room, and other community amenities, as well as numerous green and open spaces for the East Harlem neighborhood. Phase two is expected to begin construction in the coming weeks, to be completed in 2024. The project will have a 60-year regulatory agreement and will benefit from a 40-year tax abatement through the Article XI.

The \$223 million phase two 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 Citi Bank 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 Goldman Sachs.

“Sendero Verde’s mix of incomes, passive house design, plaza, gardens and more than 85,000 square feet of community space serving education, youth and senior activities and health needs provides a

model for the next generation of communities of opportunity,” said **Jonathan Rose Companies President Jonathan F.P. Rose**. “We are so grateful for the support of our community neighbors and the local Community Board, our partners and the city agencies that made this project possible.”

The residential portions of the project will be certified to Passive House standards. Passive House is a strict energy efficiency standard that serves to reduce the overall energy consumption of a building by 30-70% over typical construction. To meet this standard, the project utilizes air-tight construction to reduce draft and energy loss, increased insulation, triple-glazed windows, energy recovery from mechanical ventilation, and individually heated and cooled units. Upon completion of its second phase, Sendero Verde is expected to be the largest multi-family development in the nation to meet Passive House standards.

“Sendero Verde provides a model for exactly the type of projects the city needs as we work to recover from the pandemic: affordable housing for a range of incomes including the formerly homeless, a strong local hiring program in partnership with Local 79, high-quality open space, and social services rooted in the community,” said **L+M Development Partners CEO & Founding Partner Ron Moelis**. “Thanks to all the essential partners on this project for helping us reach this important milestone: the de Blasio administration – especially HPD and HDC – Council Member Ayala, Borough President Brewer, Citibank, Goldman Sachs and of course our development partners, the Jonathan Rose Companies and Acacia Network.”

Phase one of Sendero Verde, which topped off in November of 2020, includes 360 units of affordable housing and one superintendent’s unit spread across buildings two buildings, a school for Harlem Children’s Zone developed in partnership with the nonprofit Civic Builders Inc. , 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 incorporated within the development in coordination with NYC Parks’ GreenThumb program and local community garden groups.

Building off the project’s commitment to serving the East Harlem community, the developers have partnered with PROMESA Inc., an affiliate of the 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 families and individuals through 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. To accommodate the social services program, Sendero Verde Phase 1 will include 2,700 square feet of dedicated space for PROMESA Inc., including eight private offices, a medical exam room and a conference room.

“Through this innovative development that brings best-in-class housing, community engagement, and green design principles together, Acacia Network is pleased to partner to continue expanding our footprint and building on our commitment to the East Harlem community, where we’ve had roots for more than 60 years,” said **Acacia Network President & CEO Raul Russi**. “As a nonprofit, Latino-based organization committed to addressing the housing and affordability crisis in New York, we are proud to add 700+ affordable units that will provide permanent, stable housing to individual and families in need.”

“This historical partnership between Jonathan Rose Companies, L+M Development Partners and Acacia Network has paved the way for a true community-grounded development that will benefit the East Harlem community for generations to come. I am especially grateful to former New York City Council Speaker Melissa Mark-Viverito and current Councilwoman Diana Ayala for leading the charge and supporting this partnership,” said **Acacia Network Executive Vice President & COO Lymaris Albors**.

Sendero Verde was the winning entry in the SustainNYC RFP that was administered by HPD during the summer of 2016. The project was conceived of by Jonathan Rose Companies and L+M Development Partners as a Community of Opportunity that would offer East Harlem not only affordable housing, but

also a wide array of community services and opportunities for community engagement. During the ULURP process, Acacia Network joined the development team as a non-profit partner, and they have been invaluable to the development team's efforts to create a project that works for the East Harlem community. The design team includes Handel Architects, AECOM, DeSimone, Steven Winter Associates, and Cosentini Associates, among many others.

"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 the City's *YOUR Home NYC* housing plan," said **HPD Commissioner Louise Carroll**. "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. 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."

Sendero Verde is part of a landmark agreement announced last fall between L+M and Laborers' Local 79, a prominent construction laborers' union. That partnership launched with construction of Building B and continues with this latest phase. In addition to stringent local hiring requirements, the agreement specifically requires hiring New York City Housing Authority residents living in complexes near projects built through this partnership. L+M traditionally focuses heavily on local hiring in the areas in which it builds, and the company will continue that approach alongside Local 79. The overall agreement will initially cover work on 3,182 apartments in Harlem, the South Bronx, and East New York, Brooklyn.

"The second phase of Sendero Verde will provide 348 affordable homes that will serve a range of household incomes representing the diversity of our city. Half of these homes will remain affordable in perpetuity, providing a lasting resource to the East Harlem community," said **HDC President Eric Enderlin**. "We look forward to the completion of this transformative project, which will ultimately result in more than 700 affordable homes, a charter school, and vital community services."

The full project includes 709 units of housing and a variety of community facility users divided among three residential buildings: Building A, Building B-North and Building B-South. It was financed in two phases; Phase 1 closed on \$223 million in financing in June 2019 and included Building B-North, Building B-South and the publicly accessible courtyard.

Building A, or Phase 2, will be a 34-story concrete tower that includes 348 units of affordable housing offered to a wide range of incomes. The building currently assumes approximately 23,000 square feet of community facility space in the podium and 4,700 square feet of retail space on Madison Avenue. In addition to the tower, Phase 2 also includes about 10% of the publicly accessible courtyard, which is the centerpiece of the Sendero development and a key component of the overall site plan. The development of Building A will complete the courtyard and allow accessible access from Madison Avenue.

The second floor of the podium will include an expansion of the Harlem Children's Zone charter school and will connect to the Phase 1 charter school space on the 2<sup>nd</sup> floor. The expansion space will include additional classrooms, a specialty classroom, and administrative space.

A community art space operated by an affiliate of Acacia Network will be located adjacent to the courtyard in Building A on the 2<sup>nd</sup> floor of the podium and will provide arts and cultural programming to resident's and the greater community alike.

All buildings at Sendero Verde offer a robust amenity package for its residents, including a community room, fitness room, computer lounge, free-Wi-Fi, package lockers and exterior terrace.

**About Jonathan Rose Companies LLC:**

Jonathan Rose Companies is one of the country's leading developers and investors in sustainable, affordable, and mixed-income multifamily real estate, with more than 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 its residents with green, energy efficient property improvements and through its Communities of Opportunities programming. With offices in New York, Connecticut, Colorado, Ohio and California, Jonathan Rose Companies has developed or acquired more than \$3.2 billion of real estate. For more information, visit [www.rosecompanies.com](http://www.rosecompanies.com)

**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 Acacia Network**

Acacia Network is one of the leading social services organizations in New York City and the largest Hispanic-led nonprofit in the State, serving over 150,000 individuals every year through integrated, culturally-competent, and trauma-informed services, including: Primary Care; Mental Health & Addiction Services; Residential Treatment for At-Risk Populations; Affordable, Supportive, and Transitional Housing; Early Childhood Education, Afterschool Programs & Youth Development; Senior Services; Workforce Development; Arts & Culture, and more. Through its affiliates, the Network has developed and rehabilitated approximately 2,000 residential units totaling almost \$280 million in total development costs across the Bronx, Manhattan and Puerto Rico. For more info, visit: [www.acacianetwork.org](http://www.acacianetwork.org)

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