

# **HPD, NYS HCR, SBH HEALTH SYSTEM, L+M DEVELOPMENT PARTNERS AND HORNIG CAPITAL PARTNERS ANNOUNCE MOTT HAVEN DEVELOPMENT THAT COMBINES AFFORDABLE HOUSING AND HEALTH CARE**

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*St. Barnabas Wellness Care Project brings more than 300 new affordable homes, as well as expanded and improved medical services to the Bronx*

*Development includes 95 units of supportive and non-supportive housing for formerly homeless families and individuals across both sites*

*This 100% affordable housing, mixed-use development promotes access to nutritious and affordable food; a teaching kitchen, outdoor fitness plaza and rooftop farm*

Bronx, NY – (RealEstateRama) — HPD Commissioner Vicki Been, New York State Homes and Community Renewal (HCR), SBH Health System (St. Barnabas Hospital), L+M Development Partners and Hornig Capital Partners today announced plans for a new mixed-use development that will transform medical care in the Bronx by incorporating a range of on-site services aimed at easing health disparities and better supporting high-need populations.

By converting two parcels of vacant and underutilized land adjacent to the medical center, the \$156 million project gives the hospital, which has operated in the community since 1866, space for a new health clinic and to expand other services.

The 450,000-square-foot development features a total of 313 units of affordable housing for low-income households earning no more than \$48,960 for a family of three. The medical space, affordable housing and on-site programs will all be focused on preventative care and wellness with the goal of stemming health issues that have plagued communities in the Bronx for generations, including lung disease, asthma, heart disease, stroke, and diabetes. The services will be available to the whole community.

“We are so pleased to be part of a project that provides more than 300 affordable homes to low-income New Yorkers while also improving on the already-strong healthcare services offered by St. Barnabas in the Bronx,” said **HPD Commissioner Vicki Been**. “Affordable housing and medical care continue to be two of our most pressing societal needs, and this development will offer both to this thriving neighborhood for generations to come.”

“In tune with Governor Andrew M. Cuomo’s vision, we take a holistic approach to the developments we finance,” said **HCR Commissioner James S. Rubin**. “The St. Barnabas development is good for the State, good for the City, good for the Bronx, and will be great for the people who will live here. Providing better, more wide-reaching and accessible health care, healthy living services and education for the community and the residents – who will include formerly homeless single adults and families, and low-income households – is not only the only right thing to do from a humanitarian perspective, it also allows the state to realize the Medicaid savings that are used to fund developments such as this one. We know, and our partners know, that this provides a clear and real benefit to all New Yorkers.”

“This project will be one of our borough’s premier new developments,” said **Bronx Borough President Ruben Diaz Jr.** “The synergism of housing, wellness and commercial components is a unique concept and one that will realize not only affordable rental housing for my constituents, but also a health and wellness enriched environment with retail servicing the needs of the community. I am particularly supportive of the project’s wellness and green components, which reinforce my #NOT62 Campaign for healthy living. I am proud to be providing this project \$1 million in capital funding, and I look forward to working with SBH Health System, L+M Development Partners and Hornig Capital Partners towards its completion.”

“The combination of supportive housing and preventive health care is going to have a significant and positive impact on people living in the Bronx who struggle with chronic diseases, including those impacted by mental illness,” said **New York State Commissioner of Health Dr. Howard Zucker**. “This initiative demonstrates the state Department of Health’s ongoing commitment to its MRT supportive housing program, which leads the nation in its investment in the social determinants of health. Preliminary results show supportive housing is reducing avoidable ER and hospital inpatient use for our high-cost Medicaid members, which is consistent with our goals for the program.”

“There is no better way to mark our 150th anniversary than with this partnership to positively transform health care in the Bronx,” said **Dr. Scott Cooper, President and Chief Executive Officer, SBH Health System**. “This expansion will provide the primary care and mental health resources needed to make the Bronx a healthier place for residents of all backgrounds. We thank L+M Development Partners and Hornig Capital Partners for working with us to make this new development possible.”

“This project is representative of our mission to strengthen communities by combining quality affordable housing with robust initiatives to improve health and fitness,” said **Ron Moelis, CEO and Founding Partner of L+M Development Partners**. “From healthy food options to the tobacco-free policy, we’ve taken a top to bottom approach to help Bronxites engage in a healthier daily routine while working to combat the persistent health disparities in the borough. Our partnership with SBH Health System and Hornig Partners will improve access to vital health care and social services to provide working families a fresh start in a new home.”

“We are proud to be part of this dynamic mixed-use development that will expand important community services and provide vibrant new residential, healthcare and health conscious retail space,” said **Daren Hornig, Managing Partner of Hornig Capital Partners**. “These developments in collaboration with SBH Health System will truly activate these sites and bring long-term benefits to the neighborhood and the future of the new Bronx.”

This planned development advances the goals of Mayor Bill de Blasio’s [Housing New York: A Five-Borough, 10-Year Housing Plan](#) to create and preserve 200,000 affordable housing units over the next 10 years. The most comprehensive affordable housing plan in the City’s history and largest municipal housing plan in the nation, its goal is to help address New York City’s affordability crisis by housing more than half a million New Yorkers, ranging from those with very low incomes to the middle class – all of whom face increased pressures due to ever-rising rents.

The St. Barnabas Wellness Care and Affordable housing development is part of Governor Cuomo’s unprecedented commitment to affordable housing and community renewal, which includes \$20 billion in the 2016-17 state budget for comprehensive statewide housing and homelessness action plans. Over the next five years, the \$10 billion housing initiative will create and preserve 100,000 affordable housing units across the State, and the \$10 billion homelessness action plan will create 6,000 new supportive housing beds, 1,000 emergency beds, and a variety of expanded homelessness services.

The Mott Haven project will proceed on two sites currently owned by SBH. The North Site, located at 4451 Third Avenue, will consist of a two-tower residential building with 181 units of affordable housing. SBH will operate approximately 57,000-square-feet of space on the ground and first floors, as well as an outdoor plaza.

SBH anticipates that the medical space will include an urgent care center, a pediatric center, a women's health center, and a Mind-Body center that will focus on many dimensions of wellness, from fitness space to a teaching kitchen. Much of the fresh produce used in the teaching kitchen will be grown on an urban farm on the building's roof and aquaponic greenhouse operated by the not-for-profit Project EATS. SBH plans to relocate its Women, Infants, and Children (WIC) center to new space in the development and to open a patient education center to engage patients as partners in their own care and treatment. The outdoor plaza will be designed to accommodate stress reduction activities, including a walking path, a yoga pavilion, and a multiuse area for meditation and Tai Chi.

The development will include approximately 10,000 square feet of commercial space for a pharmacy, healthy food café, and local retailers. The healthy food café is envisioned as a new dining option for people living and working in the area and as a source of prepared to-go meals. The prepared meals are intended to provide an easy, healthy and affordable family meal as an alternative to a fast food dinner. A weekly farmer's market will also serve to enhance access to fresh produce for the wider neighborhood.

The South Site, located at 4439 Third Avenue, will include a residential building with 133 units of affordable housing and an approximately 11,500-square-foot extended-hours daycare to accommodate SBH staff, patients and working families who need care at off-hours. The South Site residential amenities include an outdoor recreation space, laundry room, bike room, and community room.

The development will contain 95 units of supportive and non-supportive housing for formerly homeless families and individuals across both sites.

Built as part of the State and City's NY/NY III Supportive Housing agreement and HPD's Our Space Initiative, the supportive housing component will be managed by BronxWorks, a non-profit human service and settlement house based in the Bronx, which will provide services including case management, medicine and financial management, employment training, counseling, group activities and benefits assistance, among others.

Both buildings will be designed using active design concepts to encourage the use of stairways, air filtration and an interior paint that breaks down air pollutants. Both

buildings will be Enterprise Green Communities-certified and will participate in the Multifamily NYSERDA program. The project was designed by Dattner Architects. New health-oriented infrastructure is needed now more than ever. About 26 percent of adults in the Bronx are in poor or fair health, compared to 16 percent statewide and 10 percent nationwide, according to a recent study by the University of Wisconsin and the Robert Wood Johnson Foundation. Last year, Bronx County ranked last among 62 New York State counties for the sixth straight year.

L+M and Hornig are also supporting the goal of creating a healthier community by ensuring that both residential buildings will be smoke-free and that no cigarette smoking will be allowed anywhere outdoors on either site. Additionally, the sale of cigarettes and other tobacco products will not be permitted in any of the retail spaces in the new development. The site also incorporates 37,000-square-feet of new underground parking, no idling zones, and bike parking.

The total development cost is \$156 million. New York City's HPD provided \$36.8 million in subsidy, which includes City Capital funds under the ELLA Program of \$30.5 million, and additional City Capital funds under HPD's Our Space homeless initiative of \$6.3 million. NYS Homes and Community Renewal provided a construction loan of \$71.1 million in fixed-rate, tax-exempt bonds which converts to a \$20.8 million permanent loan through its Housing Finance Agency (HFA), \$7.5 million in Medicaid Redesign Team (MRT) funds for the supportive housing, \$1.5 million in Urban Community Investment Funds (CIF) for the construction of the retail component, and \$316,089 in additional subsidy financing. In addition, the Bronx Borough President provided a \$1 million loan and New York State Energy Research and Development Authority (NYSERDA) gave \$282,000. The project also utilizes federal Low-Income Housing Tax Credits (LIHTC) and NY State Low-Income Housing Tax Credits (SLIHC). The NYC DOHMH has committed social service funding under the NY/NY III Agreement for 50 of the units to provide onsite social services for formerly homeless households in need of supportive services, and the project will provide an additional 45 units of permanent housing for formerly homeless households referred from the City's shelter system. BronxWorks will provide social services for all the formerly homeless households in the project.

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## **New York City Department of Housing Preservation and Development (HPD)**

The New York City Department of Housing Preservation and Development (HPD) is the nation's largest municipal housing preservation and development agency. Its mission is to promote quality housing and diverse, thriving neighborhoods for New Yorkers through loan and development programs for new affordable housing, preservation of the affordability of the existing housing stock, enforcement of housing quality standards, and educational programs for tenants and building owners. HPD is tasked with fulfilling Mayor de Blasio's [Housing New York: A Five-Borough Ten-Year Plan](#) to create and preserve 200,000 affordable units for New Yorkers at the very lowest incomes to those in the middle class. For more information visit [www.nyc.gov/hpd](http://www.nyc.gov/hpd) and for regular updates on HPD news and services, connect with us via [www.facebook.com/nychousing](http://www.facebook.com/nychousing) and [@nychousing](#).

## **About NYS Homes and Community Renewal**

New York State Homes and Community Renewal (HCR) includes the Affordable Housing Corporation, the Division of Housing and Community Renewal, the Housing Finance Agency, State of New York Mortgage Agency, Housing Trust Fund Corporation and others. 2016 marks the fourth year of Governor Cuomo's \$1 billion statewide House NY program, whose goal is to create or preserve 14,300 affordable units by 2018. In 2015, HCR set a record for financing the creation or preservation of more than 11,000 affordable homes and apartments and was the #1 bond issuer in the nation with \$2.5 billion issued. The agency stands ready to make good on the Governor's new \$10 billion 100,000 unit House NY 2020 commitment. For more information on HCR programs and initiatives, please visit: <http://www.nyshcr.org/>.

## **SBH Health System**

As the flagship in the SBH Health System, St. Barnabas Hospital is a 422-bed, not-for-profit, nonsectarian, acute care community hospital and Level I Trauma Center authorized to treat the most critically ill and severely injured patients. The campus is home to a seven-story ambulatory care facility and a modern 40-station dialysis treatment center. Through SBH Behavioral Health, it is one of the largest mental health providers in the Bronx. Primary care, specialty services and behavioral healthcare are also offered at Southern Medical Group in the South Bronx. As a State-designated Stroke Center and State-designated AIDS Center, St. Barnabas Hospital provides access to much-needed services in its community. U.S. News & World Report has ranked St. Barnabas Hospital among the top fifty in the country in the treatment of diabetes and

endocrine disorders. Another notable accomplishment is the low rate of caesarean sections performed in SBH's maternity pavilion compared with other hospitals in the state. For more information, please visit: <http://www.sbhny.org>

### **About L+M Development Partners**

Since its founding 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 \$4 billion in development, construction and investment, and has created or preserved more than 15,000 high-quality residential units in New York's tri-state area, the West Coast and Gulf Coast regions. Community leaders, government officials and institutional investor organizations turn to L+M because of its consistent track record of excellence. L+M is a double bottom line company, where its success is measured not only in financial returns but also by the positive impact it makes. L+M takes pride in its longstanding dedication to the communities it serves, demonstrated through an annual scholarship fund, job training programs, after-school programs, and substantial support for local nonprofits. L+M brings a superior level of commitment to its investments in developments, and equally important, to its investment in people. For more information, please visit: <http://lmdevpartners.com>

### **About Hornig Capital Partners**

Based in New York, Hornig Capital Partners LLC (HCP) is a privately-held real estate development firm specializing in value-added investments in the New York metropolitan area and choice markets throughout the U.S. Led by Daren Hornig, a real estate industry veteran with more than 25 years of experience, HCP pursues purchases of fee simple interest assets, as well as select joint venture structures, with capital appreciation opportunities and risk adjusted returns. It also invests in stabilized assets for long-term property appreciation and to effectively recapitalize existing properties with owners to maximize returns. In the past three years, HCP has successfully closed on more than \$500 million worth of property and development projects. For more information, please visit: [www.hornigcapital.com](http://www.hornigcapital.com)