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## **SBH HEALTH SYSTEM, L+M DEVELOPMENT PARTNERS AND HORNIG CAPITAL PARTNERS BREAK GROUND ON NEW WELLNESS AND AFFORDABLE HOUSING PROJECT**

**Bronx, NY** (September 19, 2016)—SBH Health System (St. Barnabas Hospital), L+M Development Partners and Hornig Capital Partners joined New York State Homes and Community Renewal (HCR), New York City’s Department of Housing Preservation and Development (HPD), and Wells Fargo today to break ground on a new \$156 million, mixed-use development on the SBH Health System campus that incorporates affordable housing with a range of on-site services aimed at easing health disparities and promoting wellness in the Bronx.

The St. Barnabas Wellness Care and Affordable Housing project, which will be developed by L+M Development Partners and Hornig Capital Partners, will create 314 affordable homes for low-income residents and incorporate more than 50,000 square feet of health and wellness space that includes a fitness area, an ambulatory care center, a pharmacy, and a teaching kitchen with produce grown on a rooftop farm; and offer comprehensive programs on smoking prevention, fitness, nutrition, stress reduction and life skills. In addition to a focus on preventative health strategies, the project is designed to promote stable, quality housing to help reduce Medicaid costs and avoidable hospitalizations.

“There is no better way to mark our 150th anniversary than with this partnership to positively transform health care in the Bronx,” said **Dr. David Perlstein, 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 adds to the thousands of affordable homes we’ve built in the Bronx to strengthen communities and help provide essential services,” said **Ron Moelis, CEO and Founding Partner of L+M Development Partners**. “From new 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, improve access to vital health care services and give working families a fresh start in a new home.”

“This dynamic mixed-use development will expand important community services and provide vibrant new residential, healthcare and health conscious retail space in the Bronx,” said **Daren Hornig, Managing Partner of Hornig Capital Partners**. “Through this collaboration with SBH Health System, these underutilized sites will be activated and bring long-term benefits to the neighborhood and generations of New Yorkers”

"This is a tremendous development, one that combines new housing and healthcare uses and is a new paradigm for public-private development partnerships. This project is a perfect fit for our borough's ongoing positive transformation, and the health components of this new building blend perfectly with our #not62 campaign. I am proud to have provided \$1 million in capital funding towards this project, and I congratulate St. Barnabas and L+M Development on today's groundbreaking," said **Bronx Borough President Ruben Diaz Jr.**

"This trail-blazing development is important on several levels. Not only will it benefit persons of modest means and the formerly homeless who will have the supportive services to live independently and with dignity, it will provide valuable access to health care and a path to wellness through healthy living services and education. A revitalized Bronx community will grow stronger," said **HCR Commissioner James S. Rubin**. "Governor Cuomo's mandate to take a holistic approach in serving disadvantaged New Yorkers fosters collaboration among government agencies and our partners in the private and not-for-profit sectors. The St. Barnabas project is a prime example. There also is an economic benefit. Wellness and healthy living will reduce Medicaid costs while construction will provide jobs and the need for equipment, material and supplies will boost businesses."

"Gaining access to affordable housing is often the first step towards a more healthy and stable life. By pairing affordable housing with increased access to affordable health resources, St. Barnabas is making a huge leap forward to advance our goal of improving quality of life for all," said **HPD Commissioner Vicki Been**. "The comprehensive health care services incorporated into the core of this project will provide valuable tools to help individual residents improve their long-term health, while also positively affecting the overall wellness of the larger Bronx community."

"This innovative model of affordable housing will have a tremendous impact on families in New York. Access to health and wellness amenities will no doubt have a lasting effect on residents," said **Elizabeth Oakley, VP and Sr. Relationship Manager for Wells Fargo Community Lending & Investment**. "This project is a great example of how Wells Fargo's financing capabilities for both debt and LIHTC equity investing can truly impact a community and we are proud to work alongside such great partners."

Located on two underutilized sites in the Belmont section of the Bronx, the 100 percent affordable development will consist of an 11-story mixed-use building with 181 affordable homes at 4511 Third Avenue and a 12-story residential building with 133 affordable homes at 4439 Third Avenue. Both buildings are reserved for families and individuals earning up to 60 percent of the area median income (AMI). Of the 314 affordable units, 95 homes—or approximately 30 percent of the total units of units— will be set aside for supportive and non-supportive housing for formerly homeless families and individuals. The supportive housing component will be managed by BronxWorks, a human service and settlement house based in the Bronx. The project also includes approximately 10,000 square feet of commercial space for a local pharmacy, healthy food café, and other retailers, as well as an extended-hours daycare to accommodate hospital staff, patients and working families who need childcare at off-hours.

Both buildings will be designed using active design concepts to encourage the use of stairways; include advanced air filtration to help combat vehicle emissions; and use an interior paint that breaks down air pollutants. Solar panels will be installed at both sites. The developers anticipate

Enterprise Green Communities-certification and will participate in the Multifamily NYSERDA program. The project was designed by Dattner Architects.

The total development cost is \$156 million. NYS Homes and Community Renewal provided \$71.7 million in fixed-rate, tax-exempt bonds and a mortgage loan – including a \$20.8 million permanent loan – through its Housing Finance Agency (HFA), Low-Income Housing Tax Credits (LIHTC), \$7.5 million in Medicaid Redesign Team (MRT) funds, \$1.5 million in Urban Community Investment Funds (CIF) for the construction of the retail component, and additional subsidy. New York City’s HPD provided \$36.8 million in subsidy. Along with developer subsidy, the Bronx Borough President provided a \$1 million loan and New York State Energy Research and Development Authority (NYSERDA) awarded \$282,000. Wells Fargo, as the private construction lender for the project, issued a \$72 million letter of credit to enhance the tax-exempt bonds, and made an \$8.3 million construction loan. In addition, Wells Fargo is providing a direct LIHTC equity investment totaling \$57 million.

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 project 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.

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### **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/>.

### **About NYC 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).

### **About 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. 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)

### **About Wells Fargo**

Wells Fargo & Company (NYSE: WFC) is a diversified, community-based financial services company with \$1.9 trillion in assets. Founded in 1852 and headquartered in San Francisco, Wells Fargo provides banking, insurance, investments, mortgage, and consumer and commercial finance through more than 8,600 locations, 13,000 ATMs, the internet ([wellsfargo.com](http://wellsfargo.com)) and mobile banking, and has offices in 36 countries and territories to support customers who conduct business in the global economy. With approximately 268,000 team members, Wells Fargo serves one in three households in the United States. Wells Fargo & Company was ranked No. 27 on Fortune's 2016 rankings of America's largest corporations. Wells Fargo's vision is to satisfy our

customers' financial needs and help them succeed financially. Wells Fargo perspectives are also available at [Wells Fargo Blogs](#) and [Wells Fargo Stories](#).

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