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**MAYOR BLOOMBERG, HUD SECRETARY DONOVAN, HPD COMMISSIONER
WAMBUA, ROSE COMPANIES AND PHIPPS HOUSES ANNOUNCE GRAND
OPENING OF VIA VERDE AFFORDABLE HOUSING DEVELOPMENT**

*From First-Of-Its-Kind Design Competition to Reality, Unique Project Achieves High Standard for
Sustainable, Affordable Urban Development*

*Via Verde Is City's Latest Achievement in Ongoing Effort to Rebuild and Revitalize Once Blighted
South Bronx Neighborhood*

Mayor Michael R. Bloomberg, U.S. Department of Housing and Urban Development Secretary Shaun Donovan, Department of Housing Preservation and Development Commissioner Mathew M. Wambua, Housing Development Corporation President Marc Jahr, New York State Homes and Community Renewal Commissioner/CEO Darryl C. Towns, were joined by to cut the ribbon to mark the official opening of the Via Verde affordable housing development located at 700 Brook Avenue and East 156th Street in the South Bronx. Via Verde, a largely City-financed project that blends 151 rental units and 71 co-op units with innovative and sustainable green design elements, was the winning proposal to New York City's first juried design competition for affordable and sustainable housing. The development is also the latest to be completed in the Administration's efforts to rebuild the blighted South Bronx. The Mayor was joined at the announcement by Jonathan Rose Companies President Jonathan F. P. Rose, Phipps Houses President Adam Weinstein, JPMorgan Chase Chief Administrative Officer and Mortgage Banking CEO Frank Bisignano, Congressman Jose E. Serrano, State Senator Ruben Diaz, Sr., Bronx Borough President Rubin Diaz, Jr., and Council Member Maria del Carmen Arroyo.

"Twenty years ago, it was inconceivable that the future of this neighborhood would look as bright as it does today," said Mayor Bloomberg. "No one would have predicted that today there would one day be one of the most innovative, exciting, environmentally sustainable affordable housing developments in the nation – if not the world. The change that has swept through the South Bronx in the last decade challenges the very notions of what is and isn't possible in urban revival. And investment in high-quality affordable housing – made possible by partnerships like the one behind Via Verde – has been the catalyst."

Via Verde was developed as part of Mayor Bloomberg's New Housing Marketplace Plan. The plan is a multi-billion dollar initiative to finance 165,000 units of affordable housing for half a million New Yorkers by the close of Fiscal Year 2014. For every dollar invested by the City, the plan has leveraged \$3.41 in private funding, amounting to a total commitment to date of more than \$19.4 billion to fund the creation or preservation of over 130,770 units of affordable housing across the five boroughs. Nearly 40,400 units have been financed in the Bronx, with 7,190 of those units in Bronx Community Board 1 where Via Verde is located.

"Via Verde is a model for what affordable housing ought to be – a platform for opportunity, a source of stability, a building block with which we forge neighborhoods, put down roots, and build the communities that are the engines of our nation's economic growth," said HUD Secretary Shaun Donovan. "The New Housing New York Legacy Project and Via Verde represents architects re-engaging in the design of affordable housing, the best practices for environmentally friendly design as well as the wider concept of sustainability through community meetings where stakeholder voices were heard and locally-driven planning efforts were used as a model. And of course, it is inspiring to see a range of funding sources - including HOME funds from HUD - contribute to building more affordable homes as part of Mayor Bloomberg's historic 165,000 unit affordable housing plan."

"Mayor Bloomberg's New Housing Marketplace Plan is bringing investment and jobs to neighborhoods all throughout New York City," Deputy Mayor for Economic Development Robert K. Steel said. "Via Verde is a new landmark in the South Bronx, demonstrating the power of new, sustainable affordable housing developments to revitalize and activate neighborhoods."

"We know intrinsically that having good quality and stable housing is essential to well-being," said HPD Commissioner Mathew M. Wambua. "Now, thanks to findings of research we have underway, we can say that we know for a fact that moving to affordable housing can reduce asthma symptoms, and anxiety and depression while increasing financial security. What is remarkable here is that such a short time ago, this site was a blighted, contaminated, rubbish-strewn mess. This transformation from vacant eyesore to spectacular vision became real thanks to Secretary Donovan, the New York AIA, Enterprise, NYSERDA and others who saw the possibilities here. We will keep working to develop and preserve affordable housing here in the South Bronx—the City of New York has a great deal at stake here and has invested and leveraged billions of dollars to make the community whole and worthy of being called home again."

"Via Verde is the epitome of green development," said HDC President Marc Jahr. "For us, "green" is much more than a convenient catchphrase or socially acceptable set of nebulous standards. It is the way we approach the job that we do, and the standard to which we hold our partners. In making green part of our ethos, we require energy efficiency, water conservation and healthy air quality indoors and outdoors. And just as important—we hold the bottom line steady—lower operating costs mean lower overhead which translates into more sustainable affordability. And wherever you go in this community, no matter where you look, you can see the results of our labors. Together with our partners in the public, private and not-for-profit sectors, we are making a difference; taking ambitious strides toward establishing a legacy of a more affordable, environmentally conscious and healthier New York City."

“Via Verde represents the next wave in affordable housing: cutting-edge design, innovative public and private sector financing, smart use of land, all at an affordable price. Many of the technologies used to construct Via Verde hold promise for changing the way we build affordable housing, providing better, more efficient, and more beautiful apartment buildings. Via Verde has definitely changed the way Phipps Houses – and all of us – think of affordable housing,” said Adam Weinstein, President and CEO, The Phipps Houses Group.

“Via Verde is an intensively green, energy-efficient building, but it’s also a sustainable community that focuses on the quality of life and health of the families who will live here,” said Jonathan F.P. Rose, President of Jonathan Rose Companies. “To create vibrant, dense cities, we need models that integrate housing and health, food and family, security and sociability, reflection and restoration as integrated systems. Via Verde demonstrates that such integration is possible.”

“Under Governor Andrew Cuomo’s leadership, the State’s housing agencies have put a premium on green, sustainable affordable housing,” said New York State Homes and Community Renewal Commissioner/CEO Darryl C. Towns. “Via Verde was truly a collaborative effort with the City, State, Phipps Houses and Jonathan Rose Companies - creating an urban oasis of healthier housing in the South Bronx. The State’s more than \$13 million investment in this innovative project included grants from the Affordable Housing Corporation (AHC) to subsidize the co-ops, access to low-rate SONYMA mortgages for first-time homebuyers living here, and State Low Income Housing Tax Credits. This mixed-income project will help to strengthen and stabilize the community, neighborhood and the Bronx and creates a new paradigm - a green sanctuary that completely redefines an urban landscape.”

The approximately \$99 million complex includes three distinct building types: a 20-story tower at the north end of the site, six-to-12 story mid-rise buildings in the middle, and three-to-four story townhouses to the south. The development boasts 151 units of low-income rental housing and 71 moderate- and middle-income co-op units for a total of 222 mixed-income affordable units. The rental units are located in the tower and midrise building, with the cooperative units situated in the townhouses and also in the midrise building.

The low-income rental units are fully leased. Of the 151 rental units, 17 units are reserved for household earning 30% of the Area Median Income (AMI) or what is equivalent to \$23,040 for a family of four, 13 units are set at 40% AMI (\$30,720 for a family of four), 120 units are set at 60% AMI (\$46,080 for a family of four), with one of the units set aside for the superintendent. Fifty-six of the cooperative units have been sold to date. Of the 71 total cooperative units, five units are reserved for households earning 80% AMI (\$61,450 for a family of four), 39 units are set at 150% AMI (\$115,200 for a family of four), 26 units are set at 175% AMI (\$134,400 for a family of four). All of the units in Via Verde were offered to the public via a lottery: for the 151 rental apartments there were 7,000 applications.

At the heart of Via Verde are a series of gardens that begin in the courtyard then spiral up through a series of green roofs and south facing solar panels. The rooftop gardens dissipate heat and absorb rainwater runoff, using a reclamation system that recycles water for irrigation, while providing opportunities for active gardening, fruit and vegetable cultivation, relaxation and social gathering. The facade features aluminum, cement, and wood panels with panoramic windows,

sunshades, and courtyard balconies. A landscaped courtyard, the green roofs, a fitness center, and day-lit stairs promote healthy lifestyles and provide opportunities for physical fitness.

“The Via Verde housing development is the cutting edge for affordable housing--and it is fitting that it would be situated in the Bronx. Our community has embraced the ‘green agenda’ for change and empowerment and the results are being enjoyed every day – whether it’s new parks and green spaces or community organizing or new jobs in the green sector. Now we see housing built for working people that is innovative and sustainable. I tip my cap to all those involved in this project from start to finish and look forward to talking with happy residents in the near future,” said Congressman Jose E. Serrano.

"I am excited and glad to officially celebrate the completion of the Via Verde development on Brook Avenue. The Bronx is breaking the mold and setting the standard for a 21st century way of building affordable housing. The Via Verde project which was highlighted in the New York Times as a leading model of sustainable development, will help our Bronx residents live healthier through its state-of- the-art living space and roof top gardens," said Bronx Borough President Ruben Diaz Jr.

“Via Verde was born from a collaboration of public and private forces – including the Bloomberg Administration, HPD, American Institute of Architects New York Chapter and the development community – and now serves a national model for sustainable affordable housing,” said Rick Bell, executive director of AIANY. “Via Verde stunningly demonstrates that the creation of beautiful, healthy and affordable housing is possible if enough people say that it is a priority for our city, and for those empowered by voters, residents and designers to shape it. Design matters.”

The Via Verde development was the winning response to the New Housing New York Legacy competition, sponsored by HPD, the New York Chapter of the American Institute of Architects, the New York State Energy Research and Development Authority (NYSERDA), and the Enterprise Foundation. It was New York City’s first juried design competition for affordable and sustainable housing. The New Housing New York Legacy Competition’s aim was to promote affordable, sustainable, and mixed-income housing by using innovative design on a site that had proved difficult to develop. A joint venture among the HPD, HDC, Jonathan Rose Companies and Phipps Housing Services, and designed by Dattner Architects and Grimshaw Architects, is green affordable housing that prioritizes sustainable, healthy urban living. It is designed to achieve LEED Gold certification from the U.S. Green Building Council (USGBC), including an innovation credit for integrating Active Living Guidelines, and to meet NYSERDA standards through the incorporation of a range of innovative environmentally responsible design features.

In keeping with Via Verde’s mission as a model for healthy, sustainable living, Montefiore Medical Center will open a comprehensive family practice at Via Verde in the fall. Staffed with four full-time family medicine physicians, nurses, support staff and a social worker, the 5,000-sq. ft. practice is projected to deliver over 15,000 visits each year to approximately 6,000 patients. There is an additional 2,000-square-feet of retail space as well.

Via Verde’s innovation in green design started at construction by using eco-friendly building practices. The project was constructed using 20% recycled materials with more than 20% of total building materials having been manufactured locally, minimizing transportation energy and

supporting the local economy. In addition, more than 80% of the construction and demolition waste was recycled.

Energy saving and sustainable features designed into Via Verde include motion sensors in stairways and corridors to conserve electricity and building-integrated photovoltaic panels to produce electricity from solar energy. Individual apartments feature EnergyStar appliances, energy-efficient lighting, panoramic, high-efficiency windows, natural cross ventilation in all duplex apartments, Low VOC materials improve air quality, super-sealed insulation, and water-conserving fixtures.

“Via Verde realizes a vision for innovative, sustainable affordable housing in the South Bronx. Dattner Architects is honored to be part of the team with Phipps Houses, Jonathan Rose Companies, our colleagues at Grimshaw and the other participants, to create this community inspired by the integration of nature and city,” said William Stein FAIA, Principal, Dattner Architects.

“Via Verde’s mandate for healthy living in affordable housing inspires not only a place to live, but a way to think. Grimshaw is grateful for this inspiration, as well as the opportunity to collaborate on such a notable project with Phipps Houses, Jonathan Rose Companies, Dattner Architects, and the entire project team. We sincerely hope the efforts put forward will enrich the lives of its residents, the community, and the future of affordable housing,” said Virginia Little LEED AP, Architect, Grimshaw.

The vacant 1.5-acre site where Via Verde now stands was conveyed by HPD to the development team at a nominal cost to help subsidize the affordability the project. There were several unique challenges to developing the site including its unique triangular in shape and the fact that most of it was an abandoned railroad yard that lay below street-level. The corner of the development site at East 156 Street and Brook Avenue was previously used as a gas station, which, along with its former use as a rail yard, contributed to contamination severe enough to require extensive remediation. Via Verde is also participating in NYS Department of Environmental Conservation Brownfield Cleanup Program (BCP) and the developer provided \$2.68 million in upfront BCP equity.

“This project epitomizes New York State's Brownfield Cleanup Program. This contaminated former industrial site, which was vacant for many years, was successfully cleaned up and put back into productive use. We congratulate Phipps Houses and Jonathan Rose Companies on the grand opening of Via Verde,” said NYSDEC Regional Director Venetia Lannon.

During construction HPD and HDC lent the project a combined \$80 million, a portion of which was paid down at completion via tax credit equity generated from the rental units and sales proceeds from the co-op units.

Permanent financing sources for the Via Verde affordable rental portion included an HDC first mortgage of \$4.37 million, as well as \$12.84 million in subsidy under its New Housing Opportunity Program (NewHOP). HPD provided \$2.52 million in federal HOME funds and \$9.77 million in City Capital funds. The Federal Home Loan Bank provided \$1.9 million in AHP funds, and NYSERDA provided \$380,000 in funding. HCR provided \$7 million in Low Income Housing Tax Credit (LIHTC) equity. HPD provided \$25 million in LIHTC equity. Phipps provided \$1 million

in Brownfield Cleanup Program equity for site remediation. An additional \$2 million of developer equity was also contributed.

Permanent financing sources for the Via Verde cooperative portion included an HDC first mortgage of \$5.83 million, and HPD provided \$9.1 million in City Capital funds along with \$712,630 in federal HOME funds. HCR provided \$2.12 million in grants, through the Affordable Housing Corporation (AHC), to subsidize the purchase of the 70 co-ops, and up to \$4.7 million in SONYMA first-time homebuyer, low-cost fixed-rate mortgage financing. The Bronx Borough President's office provided \$1 million in Reso A funds and Councilmember Arroyo provided \$500,000 in Reso A funds. NYSERDA contributed an additional \$187,331. Sales proceeds of \$7.73 million and additional developer equity of \$3.12 million will come in at permanent conversion. The developers provided \$1.7 million of Brownfield Cleanup Program equity for site remediation.

JPMorgan Chase was the only private lender and investor in this project, providing a total of \$76.5 million in construction loans and equity through the purchase of Federal Low Income Housing Tax Credits and New York State credits. As the investor in the tax credits, Chase is committed to this project for the next 15 years.

For the Via Verde affordable rental portion, HDC provided \$33.69 million in taxable bond proceeds at construction and a first mortgage of \$4.37 million, as well as \$12.84 million in subsidy under the New Housing Opportunity Program (NewHOP). HPD provided \$2.52 million in federal HOME funds and \$9.77 million in City Capital funds. The Federal Home Loan Bank provided \$1.9 million in AHP funds; NYSERDA provided \$380,000 in funding; NYS Homes and Community Renewal (HCR) and HPD provided \$32 million in LIHC/SLIHC/LIHTC equity funds.

For the Via Verde cooperative portion, HDC provided \$7.44 million in taxable bonds proceeds, as well as a \$5.83 million first mortgage and \$4.62 million in subsidy. HPD provided \$712,630 in federal HOME funds and \$9.1 million in City Capital funds. The Bronx Borough President's office provided \$1 million in Reso A funds and Councilmember Arroyo provided \$500,000 in RESO A funds. The Calvert Foundation provided a \$2.5 million loan to the project. The Affordable Housing Corporation (AHC) provided \$2.12 million, and \$187,331 was contributed from NYSERDA. Sales proceeds of \$7.73 million and additional developer equity of \$3.12 million will come in at permanent conversion.

“As New York City’s largest bank, we want to help build strong communities by investing in projects that provide affordable, high-quality housing,” said Frank Bisignano, JPMorgan Chase Chief Administrative Officer and CEO of Mortgage Banking. “Via Verde will do that for the South Bronx, while improving the health of residents.”

“Congratulations to all involved in the Via Verde project and its LEED Gold certification,” said Francis J. Murray Jr., President and CEO of the New York State Energy Research and Development Authority. “Via Verde represents the successful culmination of a highly creative approach to green, healthy urban living. NYSERDA is proud of the project’s partnership with the Multifamily Performance Program and its emphasis on the role of efficiency in controlling energy usage and costs while ensuring comfort for residents.”

