



**** For Immediate Release ****

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NYS, NYC, SUS AND PARTNERS ANNOUNCE THE START OF CONSTRUCTION OF MIXED-USE AFFORDABLE AND SUPPORTIVE HOUSING IN UNIVERSITY HEIGHTS, THE BRONX

\$47 Million, 94-Unit Morris Avenue Apartments Will Serve Low- and Moderate-Income Residents; Provide Permanent Supportive Housing for People in Need of Mental Health Support

Bronx, N.Y. – On May 17, 2016 New York State Homes and Community Renewal, New York State Office of Mental Health, New York State Department of Health and New York City Department of Housing Preservation and Development joined Services for the UnderServed (SUS), Bronx Pro Group LLC, and other project partners to celebrate the start of construction on the Morris Avenue Apartments, an 11-story, 94-unit affordable housing development in the University Heights neighborhood of the Bronx. The building will have 31 supportive units for individuals with mental illness reserved for 17 young adults with mental illness aging out of foster care and other institutions and 14 homeless adults with mental illness. The remaining 62 units of affordable housing will serve 14 moderate-income individuals and families and 48 low-income individuals and families earning anywhere from \$29,400 to \$50,340 annually. The total development cost of the Morris Avenue Apartments is approximately \$47 million and work is projected to be completed by December 2017.



Left to right: Rendering of the 2264 Morris Avenue building and the May 17, 2016 Groundbreaking ceremony

The new building, currently under construction at 2264 Morris Avenue, between East 182nd Street and East 183rd Streets will have 31 studios, 23 one-bedroom units, 25 two-bedroom units, and 14 three-bedroom apartments plus a two-bedroom apartment for the building's superintendent. Among other features, there will be community rooms with computers, on-site laundry facilities, and multiple outdoor recreation areas. Tenants will also have access to a 15-space parking lot. Residents will have access to on-site supportive services provided by SUS. These services will include individualized case management and personalized recovery programs based on identified needs. Daily life skills training, employment training and job placement services, and structured social and recreation activities will also be offered to the building's residents.

The \$47 million development project is being financed jointly by the State and City of New York. NYS funding sources include \$23.5 million in tax-exempt bonds from HCR, \$5.8 million from Governor Andrew M. Cuomo's New York State Medicaid Redesign Team (MRT), an \$820,000 Homes for Working Families Loan (HWF) loan, and up to \$9.3 million in permanent capital funding from the New York State Office of Mental Health (OMH). The development of this long vacant land into affordable housing will be financed under Mayor Bill de Blasio's *Housing New York: A Five-Borough, 10-Year Housing Plan*. The City of New York is providing a \$7.05 million loan through the Department of Housing Preservation and Development (HPD), federal HUD Section 8 rental vouchers and a 420-c tax abatement. OMH will also provide debt service payments on a portion of the permanent loan and will provide \$857,800 in annual funding for on-site social services for the Supportive Housing tenants. Corporation for Supportive Housing (CSH) provided \$3.9 million in acquisition and predevelopment funding. Chase will act as the bond letter of credit provider and Red Stone Equity Partners LLC will act as tax credit investor.

HCR Commissioner James S. Rubin said: "This is an example of Governor Cuomo delivering on his commitment to provide affordable housing opportunities to persons of modest means and those needing supportive services. The synergy from agencies combining expertise and resources will add vitality to the community and enhance the quality of life of our fellow New Yorkers who will call the Morris Avenue Apartments home."

The City of New York requires that city-subsidized apartments be rented through NYC Housing Connect, an Open Lottery System, to ensure fair and equitable distribution of housing to income-eligible applicants. The application period for this project is not yet open. Marketing of the apartments and the application process for the lottery typically begin when construction is approximately 70 percent complete.

"The Morris Avenue Apartments reiterate New York State's continued commitment to the provision of affordable and supportive housing for our most vulnerable residents," **said New York State Office of Mental Health Commissioner Dr. Ann Marie T. Sullivan.** "Under Governor Cuomo's leadership, the Office of Mental Health has developed over 6,000 units of supportive housing in the last four years, and will assist in the development of 20,000 additional units in the next 15 years as part of the HouseNY 2020 program. We are proud to help launch yet another supportive housing option in the Bronx and wish the future residents success in their personal recoveries."

"It is always said that the measure of a great city is how it cares for its most vulnerable residents. To this end, development partners like Services for the UnderServed and Bronx Pro Group LLC help us make New York City the city we love," **said HPD Commissioner Vicki Been.** "This new affordable housing development with supportive services will create desperately needed housing opportunities for vulnerable populations. I want to thank SUS and Bronx Pro for their vision and their dedication to those most in need. I also want to thank our partners in New York State government and all development partners involved in making this development possible."

"With this project we celebrate integration and acceptance, the bringing together of people with different life experiences as new neighbors," **said Jennifer Trepinski, Senior Loan Officer at Corporation for Supportive Housing.** "We put \$3.9 million of financing behind Morris Avenue Apartments because we were confident SUS and Bronx Pro would partner with the community to successfully deliver affordable and supportive housing for New Yorkers with moderate and lower incomes—some of whom were once homeless."

"We were pleased to collaborate with our partners at BNY Mellon, SUS and Bronx Pro on the financing of Morris Avenue Apartments. We are particularly excited to add to our track record of working with exciting mixed-finance projects that combine innovative tools like the New York State Medicaid Redesign Team with funding from Mayor DeBlasio's Housing New York initiative," **said Richard Roberts, Red Stone Equity Managing Director of Acquisitions.** He continued, "The project will provide much needed housing in the Bronx for a variety of households including homeless with special needs and will reclaim vacant and underutilized land. We look forward to many future opportunities to build on this important work."

"In the Bronx, Chase has over a thousand employees and hundreds of thousands of clients; we are committed to the community and its businesses," **said Priscilla Almodovar, Managing Director and Head of Chase Community Development Banking.** "When projects such as Morris Avenue get built, we all benefit: our firm, our employees, our customers, the community and New York City."

“BNY Mellon is proud to have provided tax equity credit for this important development being undertaken by Bronx Pro and SUS, which provides much needed affordable and supportive housing units in the Bronx,” said **Andrew Blumetti, Managing Director at BNY Mellon**. “Our investment not only represents a smart business decision, but it also underscores our commitment to supporting the communities where our employees live and work.”

Samantha Magistro, Managing Director, Bronx Pro Group LLC said, “Morris Avenue is a great example of how collaboration among partners can lead to exceptional buildings that push the paradigms of affordable housing development.” She added, “We are proud to partner with SUS to build on our mission of inclusion, sustainability, wellness and beauty.”

“This project is one of the first housing developments that incorporates supported, low- and moderate-income housing,” said **SUS CEO Donna Colonna**. “In many ways we believe this integration makes for the best and healthiest communities. SUS is pleased to be at the forefront of this new mixed housing model that is so closely aligned with our own values and mission.”

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About The New York State Homes and Community Renewal (NYS HCR)

New York State Homes and Community Renewal (HCR) is responsible for carrying out Governor Andrew M. Cuomo’s \$10 billion **HOUSE NY 2020** plan to finance 100,000 affordable housing units over five years and leading the Governor’s \$10 billion **Homelessness Action Plan** to create 20,000 new supportive housing units over the next 15 years. HCR agencies and programs **Build NY**, creating new affordable housing; **Preserve NY**: extending affordability of existing units statewide; **Welcome Home NY**: increasing access to affordable homeownership for all New Yorkers, including special programs for veterans; provide **Opportunity NY**: promoting and protecting tenant rights and expanding housing opportunities to ensure State investments benefit all New Yorkers; and **Revitalize NY**: investing in downtowns and communities across the State. For more information on HCR programs and agencies, please visit <http://www.nyshcr.org/>

The New York State Department of Mental Health (NYS OMH):

New York State has a large, multi-faceted mental health system that serves more than 700,000 individuals each year. The Office of Mental Health (OMH) operates psychiatric centers across the State, and also regulates, certifies and oversees more than 4,500 programs, which are operated by local governments and nonprofit agencies. These programs include various inpatient and outpatient programs, emergency, community support, residential and family care programs.

The New York State Department of Health (NYS DOH):

The New York Department of Health ensures that high quality appropriate health services are available to all New York State residents at a reasonable cost. Department functions and responsibilities include: promoting and supervising public health activities throughout New York State; ensuring high quality medical care in a sound and cost effective manner for all residents; reducing infectious diseases such as food and waterborne illnesses, hepatitis, HIV, meningitis, sexually transmitted infections, tuberculosis, vaccine-preventable diseases and chronic disabling illnesses such as heart disease, cancer, stroke and respiratory diseases; directing a variety of health-related homeland security measures in conjunction with the New York State Office of Homeland Security. As part of this mission, the Department works with the State’s health care community to ensure appropriate readiness and response to potential health threats.

The New York City Department of Housing Preservation and Development (NYC HPD)

The New York City Department of Housing Preservation and Development (NYC 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. NYC 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 and for regular updates on HPD news and services, connect with us via www.facebook.com/nychpd and www.twitter.com/nychousing.

Corporation for Supportive Housing (CSH)

CSH has been the leader in supportive housing for 25 years, demonstrating its potential to improve the lives of very vulnerable individuals and families. As a Community Development Financial Institution (CDFI), CSH has earned a reputation as a highly effective, stable organization with strong partnerships. CSH is advancing innovative solutions that use housing as a platform for services to improve lives, maximize public resources, and build healthy communities. CSH is working to assure that housing solutions are available and accessible to vulnerable people wherever the need exists. For more information visit www.csh.org

Red Stone Equity Partners

Red Stone Equity Partners, LLC (“Red Stone Equity”) is a leading real estate investment firm specializing in the syndication of Low-Income Housing Tax Credits and Renewable Energy Tax Credits to facilitate the development of affordable multifamily rental housing and renewable energy projects, respectively. Red Stone Equity builds upon long-lasting relationships with investors and developers as it acquires, structures, and provides long-term asset management services to its institutional clients. Its senior management represents more than a combined 100 years of tax credit equity syndication experience, involving the acquisition and syndication of approximately \$15 billion of tax credit equity. Red Stone Equity is headquartered in Cleveland, OH, with regional offices in Boston, Charlotte, Chicago, Los Angeles and New York. For more information, please visit www.rsequity.com or www.linkedin.com/company/red-stone-equity-partners-llc

Chase

Chase is the U.S. consumer and commercial banking business of JPMorgan Chase & Co. (NYSE: JPM), a leading global financial services firm with assets of \$2.4 trillion and operations worldwide. Chase serves nearly half of America’s households with a broad range of financial services, including personal banking, credit cards, mortgages, auto financing, investment advice, small business loans and payment processing. Customers can choose how and where they want to bank: 5,300 branches, 15,500 ATMs, mobile, online and by phone. For more information, go to Chase.com.

Bank of NY Mellon (BNY Mellon)

BNY Mellon is a global investments company dedicated to helping its clients manage and service their financial assets throughout the investment lifecycle. Whether providing financial services for institutions, corporations or individual investors, BNY Mellon delivers informed investment management and investment services in 35 countries and more than 100 markets. As of Dec. 31, 2015, BNY Mellon had \$28.9 trillion in assets under custody and/or administration, and \$1.6 trillion in assets under management. BNY Mellon can act as a single point of contact for clients looking to create, trade, hold, manage, service, distribute or restructure investments. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation (NYSE: BK). Additional information is available on www.bnymellon.com. Follow us on Twitter @BNYMellon or visit our newsroom at www.bnymellon.com/newsroom for the latest company news.

Notias

Established in 1991, Notias Construction, Inc. has positioned itself as one of the premier occupied multifamily rehabilitation and new construction specialists in the New York metropolitan area. Over the past 25 years, Notias has built and rehabilitated over 4,000 units of housing, including mid/hi-rise affordable, Low Income Housing Tax Credit assisted housing, US. Dept. of HUD-assisted multi-family and senior housing, and market-rate developments totaling over a quarter of a billion dollars in construction costs.

Bronx Pro Group LLC (BronxPro)

Bronx Pro Group LLC is a New York City based firm that employs professionals and support staff engaged in real estate development, construction oversight, property management, resident services, and asset management. The company began as a property management firm in 1988. In 1998, the company expanded its business activities to include the development of low and moderate-income housing with an increasing emphasis on community building. To date, Bronx Pro has developed more that \$415 million in projects (2,182 affordable units) through various City and State housing programs. Currently, the company has an additional 201 units in pre-development.

Services for the UnderServed (SUS):

Founded in 1978, Services for the UnderServed (SUS) works with more than 25,000 individuals and their families to create pathways to rich and productive lives by offering housing, employment, skills-building, treatment and rehabilitation. By delivering high quality services that address the complex circumstances of each person, we transform lives, improve neighborhoods and boost future generations. With a staff of close to 2,000 that provides \$185 million in services, SUS is supported by various local, state and federal government agencies as well as foundations, corporations and individual donors. For additional information, visit: www.sus.org