
Via Verde

South Bronx NY

UNIVERSITY OF MARYLAND
COLVIN INSTITUTE OF REAL ESTATE DEVELOPMENT
2017 CASE STUDY CHALLENGE

Team #22





Contents

Introduction	1
Market Analysis	2
Development Team	4
Planning & Entitlement Issues	4
Design Concept	5
Site Planning	6
Sustainability	9
Financing	11
Exit Strategy	14
Operational Issues	15
Impact	16



Introduction

The vision to create housing that fits the community and urban context, integrates sustainable features in an affordable design, and is replicable in terms of construction and cost is of great importance today in New York City.

This growing need for affordable housing in New York City saw little response from local developers and architecture firms, partly due to the challenges of working with the city's convoluted departments and their approval processes. In addition to this, the perceived notion of affordable housing developments having a limited budget and constrained creativity added to the resistance.

New York City Mayor Michael Bloomberg's '**New Housing Marketplace Plan**' was 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.

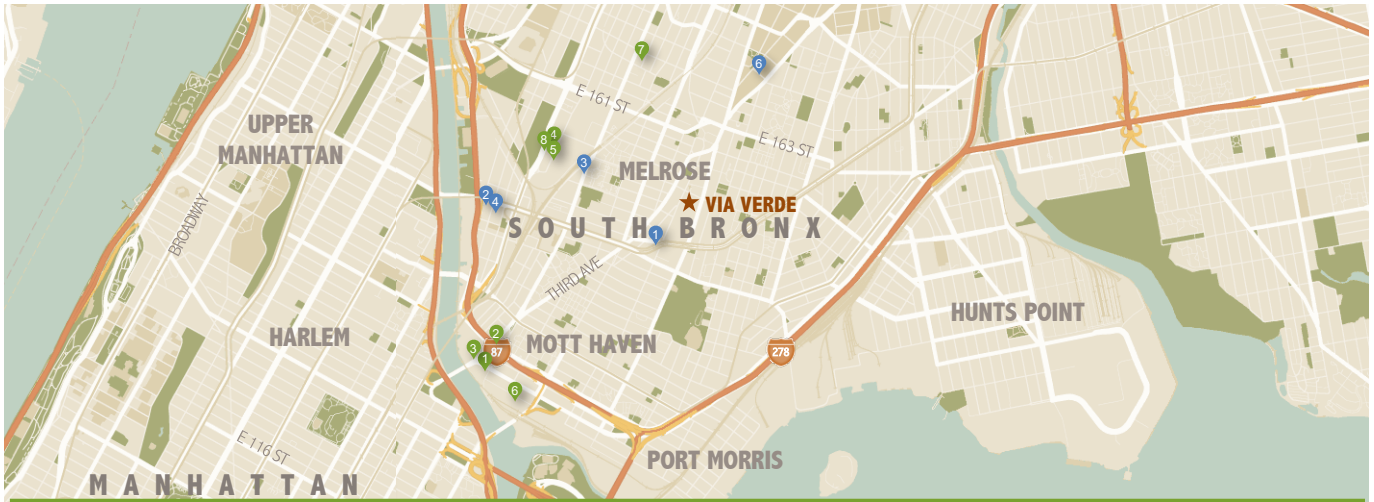
Under this scheme, Via Verde was developed on one of the last few remaining parcel's in the South Bronx that were taken through in-rem tax foreclosure when 'The Bronx (was) Burning' during the 1970-80's.

Via Verde is a symbol of the city's efforts to revitalize the area. NYC Housing Preservation and Development (HPD) being the lead public agency, was closely involved in rezoning the site from manufacturing to residential.

HPD, in partnership with the NYC Chapter of American Institute of Architects (AIA) sponsored the **New Housing New York Legacy Competition** which the project is born out of.

Via Verde offers innovative, high-quality sustainable design and affordable rental and housing ownership to a range of income levels with a special emphasis on community integration and health-focused amenities. It is a LEED 2013 Gold certified project under the New Construction V2 category.

The success of the project is attributable to the architect-developer vision of addressing urban housing needs. Via Verde serves as an example to demonstrate that affordable housing can be sustainable, cost effective and creative.



CONTEXT – THE BRONX

The Bronx, one of New York City’s five boroughs, located north-east of Manhattan, went through a period of decline and disinvestment that not only saw a serious dip in living conditions, but a flight of residents as well. Neglect manifested itself into widespread fires that created further urban blight, leaving entire blocks vacant or in near ruin.

In the 1970’s, years of neglect and crime, coupled with a major public health disaster had taken a toll on the South Bronx; and Melrose neighborhood in particular.

Today, the neighborhood is enjoying a renaissance. South Bronx is reviving as an area with safe, vibrant neighborhoods and a growing economy. New housing, green grass, playing fields, and an active retail corridor characterize a revitalized neighborhood.

Guiding this change are grassroots efforts & partnerships between several community stakeholders, elected officials,

and government agencies. The Department of City Planning (DCP), Housing Preservation and Development (HPD), Parks & Recreation (DPR), Small Business Services (SBS), Department of Transportation (DOT), and the NYC Economic Development Corporation (NYCEDC) to name few of many, are committed to improving quality of life and creating new opportunities for current and future residents.

The Bronx still has the lowest rate of homeownership of all the five boroughs. Stigmas of the past do exist, but the public is learning a new story of the Bronx, one that anticipates growth in the coming years.

MARKET ANALYSIS

Over the last decade, a significant number of affordable housing units have been constructed in and around Melrose – including some LEED certified projects – resulting in an increase of almost 4,000 units, mostly on properties that the city took over through tax defaults in the 1970’s and 80’s.

The South Bronx; Melrose in particular, is one of the highly transformed areas under the Bloomberg administration’s novel initiative of the New Housing Marketplace Plan. The supply pipeline indicates the potential and increasing strength of the South Bronx market.

AFFORDABLE PIPELINE

- 1 La Central
- 2 530 Exterior Street
- 3 2956 Park Avenue
- 4 491 Gerard Avenue
- 5 111 East 172nd Street
- 6 571 East 167th Street

MARKET RATE PIPELINE

- 1 101 Lincoln Avenue
- 2 198 East 135th Street
- 3 2401 3rd Avenue
- 4 180 East 156th Street
- 5 707 Concourse Village W
- 6 329 East 132nd Street
- 7 Carroll Place Apartments
- 8 702 Grand Concourse

Developers of Via Verde did not conduct a formal market study to evaluate market demand as it is born out of a competition and was implemented due to its outstanding design features. Interestingly, the demand for

rental and co-op units surpassed the developers' expectations.

In a market that was once considered risky to invest in, Phipps and Rose emerged as pioneers due to a vision of setting a new standard for affordability, sustainability, design excellence and ability to be replicated.

An engaged participant in the revitalization of the Melrose neighborhood, the underlying goal of Via Verde is to serve as a model for the next generation of green affordable housing development.

The neighborhoods in the South Bronx are becoming more environmentally sustainable, transit-oriented & economically

diverse, thanks to public-private partnerships that are developing innovative affordable housing projects like Via Verde - The Greenway

THE SITE

Located 6.5 miles north east of Manhattan across the Harlem River, the development is connected to the island through bridges and subway lines.

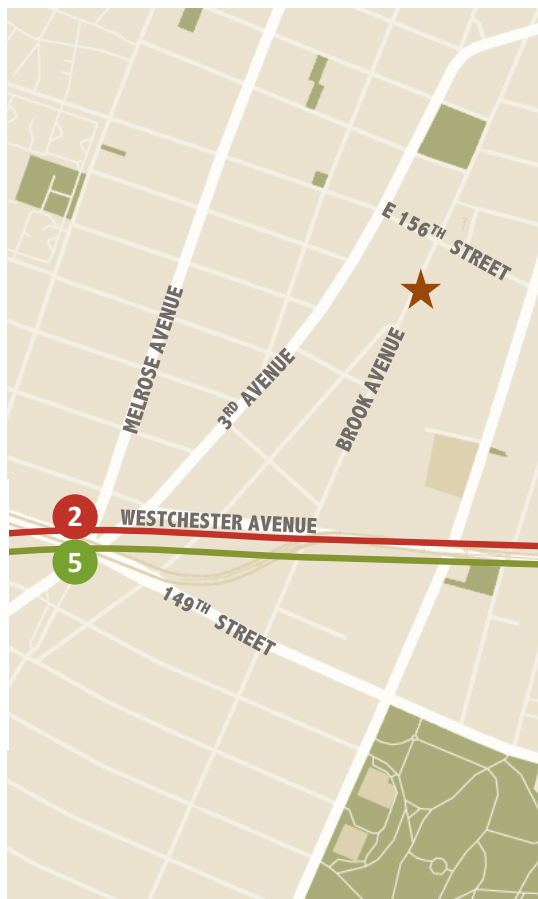
The site is one block away from 3rd Avenue, a major retail corridor, and 3 blocks from the #2 and #5 trains at 3rd Avenue and 149th Street with express access to Manhattan. Numerous buses run along 3rd avenue and 149th Street. Having 3 public schools, the Yankee Stadium and the Bronx Courthouse within the immediate vicinity, Via Verde's residents enjoy various

amenities and an easy access to all parts of the city.

'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'

SHAUN DONOVAN
HUD Secretary

Buildings and rooftops offer expansive views of permanent open space to the south of the site.



DEVELOPMENT TEAM

Via Verde is a complete and perfect alliance between client, design and engineering disciplines, political context, and housing delivery disciplines, all united to make a difference in the delivery of market rate and affordable in the Melrose, South Bronx.

Via Verde is the product of a venture between the **Jonathan Rose Companies**, a for-profit development company, and **Phipps Houses**, a 100-year old non-profit housing developer. These firms responded to a design competition for the site that was sponsored by New York City Department of Housing Preservation and Development (NYC HPD), and American Institute of Architects New York (AIA NY), and had support from political leaders in Bronx as well as the highest levels of New York City's administration.

Jonathan Rose Companies was founded with the thought of merging green and affordable design. They describe their mission as one of leading "transformative change by creating green urban solutions as replicable models of environmentally, socially and economically responsible plans, communities, buildings and investments." Jonathan Rose Companies made alliance with Phipps Houses as a partner in the development of the proposal for the competition because of the respect and experience the organization engenders from decades of contribution and

involvement in affordable housing as "the oldest and largest not-for-profit developer, owner, and manager of affordable housing in New York City."

Jonathan Rose had earlier relationship with **Dattner Architects** and they joined hands with **Grimshaw Architects** because of their reputation for innovative green design in Europe. **Lee Weintraub Landscape Architecture** was added to the design team because of the centrality of open space design to the project.

NYC Department of Housing, Preservation & Development (HPD) was the lead public agency in the development of Via Verde. HPD sold the land to the developer for \$1 in order to finance the affordable development.

A key innovation was the creation of the **Joint Review Committee** (JRC) which was aimed at easing the process by which the developers would work with city agencies. The JRC was made up of developers, representatives of the Competition Steering Committee, city agencies like HPD, designers and the Department of Buildings in order for the variances, approvals, and interpretations to be reviewed and acted upon quickly.

This task force was important because many of the project's design features, would not have met standard city requirements.

"The change that has swept through the South Bronx in the last decade challenges the very notions of what is and what isn't possible in urban revival. An investment in high quality affordable housing - made possible by partnerships like the one behind Via Verde - has been the catalyst"
Mayor Bloomberg

PLANNING & ENTITLEMENT ISSUES

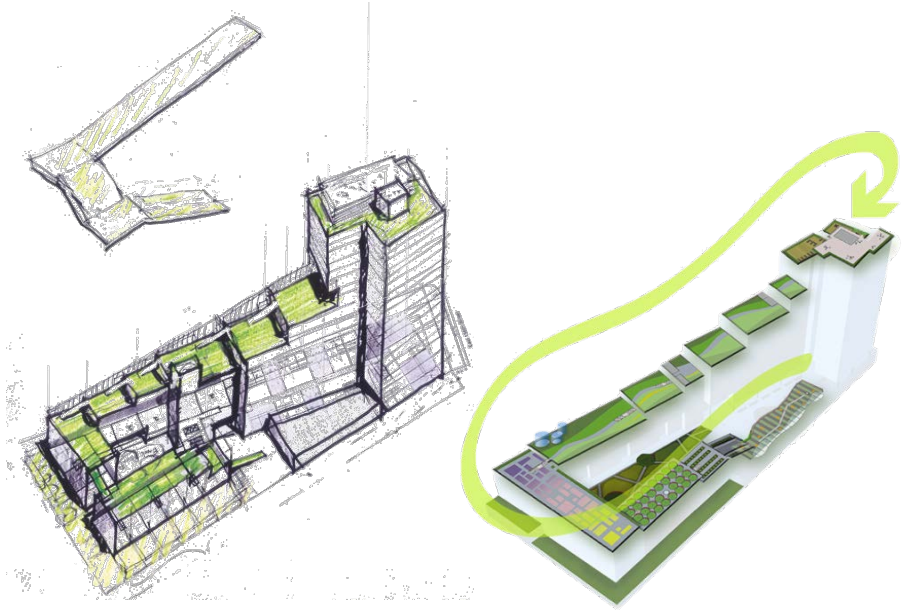
The long, narrow, triangular site was difficult to develop, not only because of its shape, but because it required environmental remediation and special exceptions to the city's usual requirements for approvals. The unusual shape of the site required zoning exceptions, a major one being parking.

Normally, on-site parking is required for a residential development, but the site was too small for the amount of space usually needed to accommodate required parking. The development team successfully argued that the building is well served by transit. In addition, a large under-used parking garage is located across the street from the site. Ultimately, the plan was allowed to proceed without on-site parking.

The South Bronx has some of the highest childhood asthma rates in the United States, and the community looked to Via Verde for some solutions.

Design Concept

The primary concept compares the building to a tendril of a living plant winding around and climbing upwards from the street towards the sun. The winning Rose-Phipps concept resonated with the jury and was largely maintained throughout the development of the design and construction of the project. It is translated into a series of connected structures that wind around a central courtyard and step up from low- through mid-rise to high-rise buildings, with each step providing open space for a green roof.



Translating the concept into green roofs stepping up from the ground level to the high rise tower, creating a green walkway for all residents

BIRTH OF VIA VERDE

In 2004, NYC council, American Institute of Architects (AIA NY) and City University of New York (CUNY) sponsored the first **New Housing New York Design Ideas Competition**, intended to raise affordable housing design ideas for three sites in New York City. Three winners were selected for each site based on – Innovation, Sustainability, Quality, Economic Efficiency, Transferability, Coherence and Vitality.

In order to respond to the **heightened interest in the affordable housing**, a New Housing New York (NHNY) Steering committee was formed in 2005, with a purpose to carry forward ideas from the 2004 competition and implement affordable housing development plans. 32 teams responded to a Request for Qualification (RFQ) issued in spring 2006.

The RFQ was unusually flexible and non-prescriptive in order to encourage creative ideas.

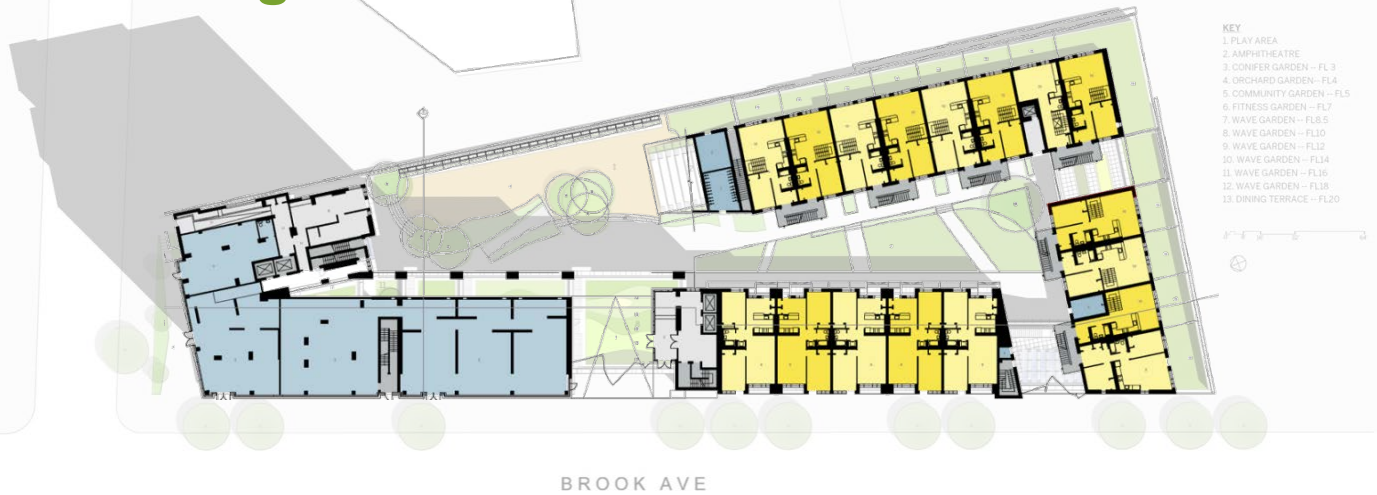
A site in Melrose, Bronx was made available by NYCHPD to the five finalists in order to make the process real and meaningful. The site was challenging in nature due to its narrow triangular shape and its past use as a gas station and manufacturing foundry.

The aim of this competition was not only to develop a design intended to be built, but to raise a potential concept to change the perception of affordable housing in the eyes of a common man the NYCHPD. The committee hoped that the winning project would serve as a responsible model with a level of design sophistication that could positively guide the future of social housing.

The Bronx Community Board encouraged local residents to voice their opinions on the changes they hoped to see in an upcoming neighborhood. Ownership options for young people achieving success and a desire to make units available for very low income persons were of common concern.

The jury, made up of architects, city officials and social scientists discussed parameters such as density, aesthetics, urban context and community. The review process ultimately led to the selection of the winning Architect/ Developer team of Rose-Phipps-Dattner- Grimshaw as the winning entry.

Site Planning



FEATURES

The design primarily creates a balance between **increasing density** of the urban neighborhood with 400 residents occupying 1.5 acres and creating a **variety of outdoor spaces** for recreational and social activity. The site provides an urban farming experience and spacious residential units with balconies, thus achieving the aim of integrating nature and the city. The massing is such that the development responds to the shape of the site and its surroundings.

The development makes most of the narrow, triangular shaped site by providing a **range of residential unit types** – Single level apartments in a 20-story tower, two-level duplex units in a 6-13 story mid-rise component, and two-level townhouses and single-level apartments in a 2-4 story low-rise component. Being

oriented towards the south gives the development the advantage of maximizing solar gain and the capturing views offered by the open space adjacent to the property – a city owned ball field.

The **mix of rental and owned units** is seamless. They are physically connected to all amenities, have a common building entrance and are managed by the same security staff. The entry is placed at the center of the building along Brook Avenue serving both owners and renters. The project thus benefits from economies of scale in development and operation costs. The ground floor features retail, a community health center, and live-work units creating a lively street presence. Above the main entrance overlooking the street and courtyard are the resident

community spaces and a fitness center.

The **cascading rooftops**, the project's most dominant feature steps up from a ground level courtyard with an amphitheater designed for play and social gatherings. It forms the organizing element of the development with ground-level courtyard at the heart of the project.

Via Verde represents a **unique program** in the sense that it combines four distinct uses i.e. residential, green roofs, Montefiore medical center and community facilities. Via Verde combines amenities and retail relevant to a diverse community. The site program thus encourages interaction between residents of low-income rental and middle-income co-ops.

UNIT DESIGN

The shallow depth of the site allowed for only a 48' deep span in the mid-rise section of the building versus the typical 60' configuration required to provide a doubly-loaded corridor. To make efficient use of this constraint, the mid-rise section features innovative, interlocking duplex units. The ground floor being 25' incorporates an internal staircase eliminating the need of corridors on alternate floors. It leads to a 12.5' upper floor with bedrooms on either side. The benefit is that the bedroom area spans the width of the structure, allowing residents to open windows and use cross breezes for ventilation and natural cooling and reducing reliance on air conditioning. The Brook Avenue facade of the project is equipped with a high performance rain screen of composite wood, cement and metal panels.



Metal screens hold the temperature of the raising sun at bay during the summer, while PV panels on the roof soak up the light.

Via Verde's stepped form, façade ad interior layouts have led numerous accolades including 'Best New York Architecture 2011'.



Healthy Living



The Via Verde goes beyond traditional green features to tackling community health issues at large. Via Verde is one of the first buildings in New York to heavily rely upon **Active Design Guidelines** - A manual of strategies for creating healthy buildings based on research and best practices. Techniques encouraging energy saving mechanisms secured Via Verde LEED points for innovation. A 'Living Green' guide is given to each resident to teach and promote energy optimization and green, healthy living.

Through use of **environment-friendly materials** such as non-toxic paints, sealants and adhesives, the design aims to create healthy interiors. Installing ceiling fans and planning for cross ventilation reduces the dependency of living in an artificially air

conditioned environment. The Montefiore Medical Center is also integral to the buildings holistic focus on health. A signature component of the project, the green roofs provide a **walking concourse** guiding residents from the ground level to the fitness center on the 7th floor. All staircases are strategically located at distances closer than elevators, designed with large windows and bright colors with motivational signage that reads 'take the stairs, burn calories not electricity!' to support increased levels of physical activity.

COMMUNITY IMPACT

The most significant community activity at Via Verde is gardening. Grow NYC, an organization that manages a series of farmer's markets throughout NYC managed the roof gardens initially, along with providing horticulture classes to residents. With time, a **Resident Gardening Committee** emerged in order to self-manage and maximize the potential of the roof gardens and forge a strong sense of community. Children are educated about food production and healthy alternatives. Today, residents are active participants of gardening and enjoy the harvest. The rooftop run off water provides opportunities for active gardening and fruit and vegetable cultivation. The storm water recycles alongside to provide for on-site irrigation.

Sustainability

The project aimed at integrating sustainability features with design since its inception through photovoltaic systems, energy efficiency systems. The green features proposed for an affordable housing development is an impressive feature of the project.

Plagued by several environmental constraints due to its previous land use as a gas station, the site contained high concentrations of organic solvents and petroleum-related compounds. The extensive **Brownfield Remediation** strategy offered by the city involved excavating and disposing of soil, using a clean fill and replenishing the ground water level through oxidation.

The provision of **Green Roof** tops additionally helped in rooftop insulation, installation of photovoltaic panels and an abundance of plant life with evergreen trees, orchards and vegetable gardens.

Since Via Verde was able to maximize its multiple stepped roofs space, the mid-rise and high-rise towers were able to provide vertical and horizontal surfaces for **Photovoltaic Panels**. The stepped form allowed for an innovative installation system, where the panels were hung at angles optimal for electric power generation accounting for 15-20% of the total power needs.

A total of 288 panels are estimated to save \$12,000 annually as of 2013.

The neighborhood being severely affected by asthma, relies on a **Smoke-free Environment** and good ventilation. The public spaces in the building employ active air exchange systems.

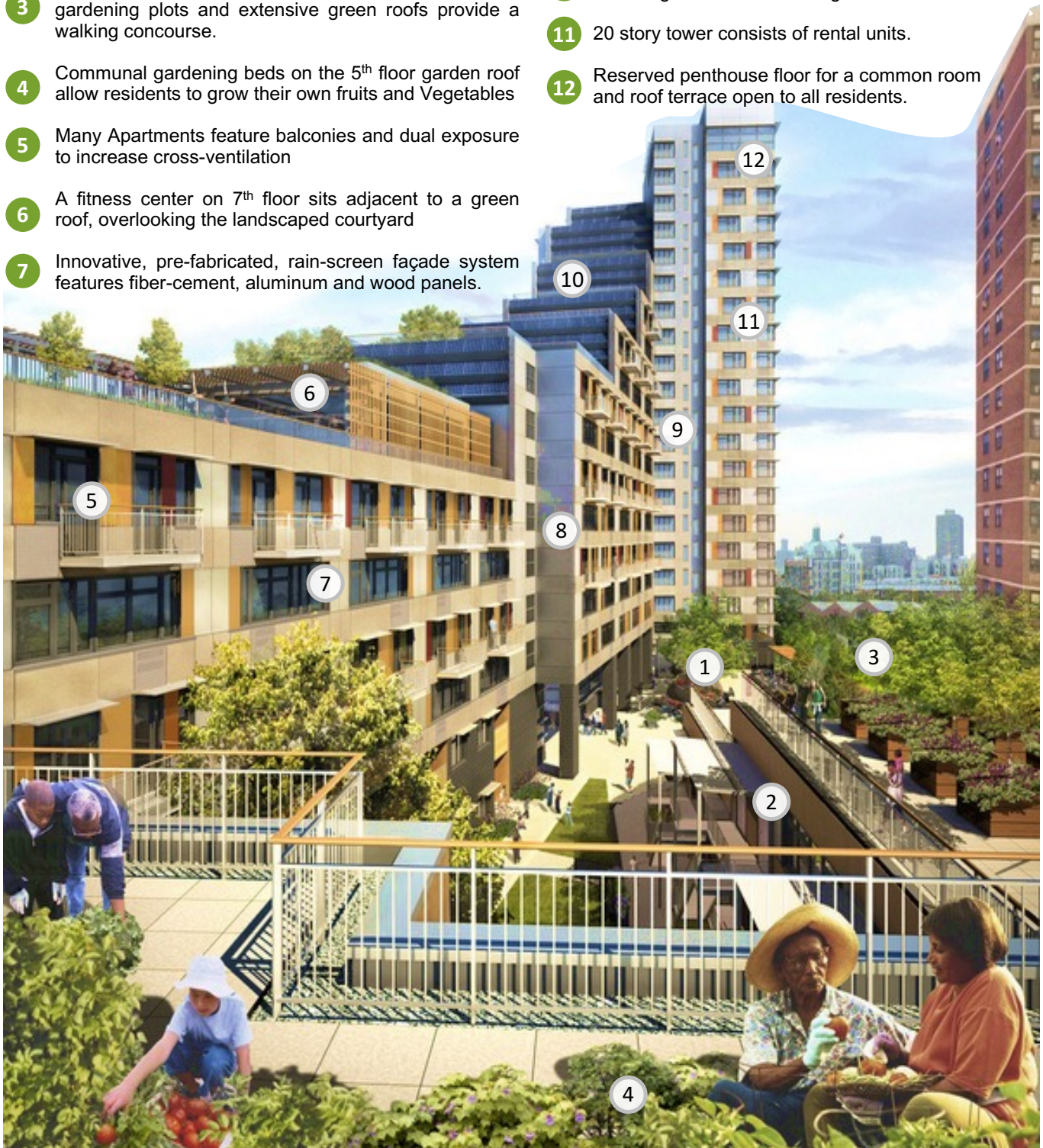
Temperature Sensors ensure that heat is supplied to actual conditions and not preset timings. Thus residents pay for their own electricity use and not for that supplied by a central system. An improved ventilation system minimizes the need to air-conditioning, rather relying on cross ventilation and ceiling fans.



Features

- 1 Community amphitheater and courtyard
- 2 Low-rise and townhouse sections consist of co-op apartments and duplexes; some with private backyards
- 3 Via-Verde's terraced roofs, landscaped with fruit trees, gardening plots and extensive green roofs provide a walking concourse.
- 4 Communal gardening beds on the 5th floor garden roof allow residents to grow their own fruits and Vegetables
- 5 Many Apartments feature balconies and dual exposure to increase cross-ventilation
- 6 A fitness center on 7th floor sits adjacent to a green roof, overlooking the landscaped courtyard
- 7 Innovative, pre-fabricated, rain-screen façade system features fiber-cement, aluminum and wood panels.

- 8 Mid-rise units consist of a mix of rental & co-op apartments.
- 9 All stairs are designed with bright colors and large windows as part of the NYC Active Design Guidelines.
- 10 Photovoltaic panels (66kW) are incorporated into the design of the south facing facades.
- 11 20 story tower consists of rental units.
- 12 Reserved penthouse floor for a common room and roof terrace open to all residents.



Financing

The success of Via Verde lies in the innovation of its design and financing. The product of an extraordinary partnership between public and private agencies, the development is based upon a multi-layer financing model including grants, tax-credits, loans (subsidies and bonds), equities and other sources. Funds came from a broad source of public and private sources. The size and arrangement of such a funding was possible because of a unique blend of rental and co-op units in one single project. However, this also increased the complexity due to the number of entities involved.

RENTAL FINANCING

Rental units made use of **Low Income Housing Tax Credits** (LIHTCs) through New York State Homes and Community Renewal (NYS HCR) as well as **Subsidies** from Housing Preservation and Development (NYCHPD), Housing Development Corporation (NYCHDC), Federal Home Loan Bank Affordable Housing Program (FHLBNY AHP), and New York State Energy Research and Development Authority (NYSERDA).

Approximately 50% of the construction financing of the rental development was sourced

using Housing Development Corporation **Taxable Bonds** against JP Morgan Chase - line of credit. During the permanent phase, LIHTC (tax credits) representing about \$32million (or half the cost of rental component) were used to pay down the HDC First Mortgage and deferred developer fee.

JFP Rose and Phipps Houses collectively provided \$1,000,000 as equity and \$4,763,651 as deferred developer fee as equal partners of rental financing.

The \$98.8 million project was financed as two-thirds rental (151 units at an approximate cost of \$67 million) and one-third owned (71 units at an approximate cost of \$32 million). The 1.5 acre site was conveyed to the developer by Housing Preservation & Development (HPD) for \$1 to support the revitalization of South Bronx and aid the affordability of the project.

RENTAL UNITS - USES	Amount
Hard Cost	\$49,364,599
Acquisition Cost	\$177,880
Soft cost	\$12,110,508
Development Fee	\$5,200,000
Total Rental Units	\$66,852,987
CO-OP UNITS - USES	Amount
Hard Cost	\$24,261,401
Acquisition Cost	\$48,873
Soft cost	\$6,152,822
Development Fee	\$1,500,000
Total Co-op Units	\$31,963,096

CO-OP FINANCING

The Co-op units attracted 67.5% more equity from both the developers combined, and \$1.5 million as deferred developer fees. The higher equity implies higher gains on a pro-rata basis, when interest in property or the company is sold. One-fourth of total cost of construction was sourced using a combination of HDC 1A & 1B taxable bonds

with JP Morgan bank line of credit. The 71 co-op units also received subsidies from NYC HDC, NYC HPD, the Bronx Borough President's Discretionary fund, New York State Affordable Housing Corporation (AHC) and NYSERDA. Bridge funding from Calvert Foundation was used to fill the gap between construction

and sale of co-op units. During the permanent phase, the sales proceeds for the co-op unit were used to pay-off HDC 1A Taxable bond & to repay bridge finance loans & deferred developer fees. The project also received \$2.68 million from New York State Department of Environmental Conservation as Brown Field Cleanup Program Equity.

RENTAL UNITS - FINANCING SOURCES

Debt	Construction	Permanent
HDC First Mortgage*	\$33,690,000	\$4,370,000
HDC Second Mortgage (Subsidy) (1% interest only)	\$12,835,000	\$12,835,000
HPD - MIRP - Capital Subsidy (1% interest only)	\$9,767,756	\$9,767,756
HPD - MIRP - HOME	\$2,516,580	\$2,516,580
Federal Home Loan Bank NY Affordable Housing Program (HSBC Member Bank)	\$1,900,000	\$1,900,000
Phipps Loan (NYSERDA MPP)	\$380,000	\$380,000
Equity		
Federal/State LIHTC Equity**	-	\$32,083,651
Developer Equity/ Remediation Sources (TBD)	\$1,000,000	\$1,000,000
Deferred Developer Fee	\$4,763,651	\$2,000,000
TOTAL	\$66,852,987	\$66,852,987

CO-OP UNITS - FINANCING SOURCES

Debt	Construction	Permanent
HDC 1B Taxable HDC Bonds w/LOC *	\$1,210,000	\$1,210,000
HDC 1A Taxable HDC Bond w/LOC*	\$6,230,000	-
HDC Second Mortgage (i.e. HDC Subsidy)	\$4,615,000	\$4,615,000
HPD Capital Subsidy	\$9,093,470	\$9,093,470
HPD HOME Funds	\$712,630	\$712,630
NYC Resolution a Bronx Borough President/City Council	\$1,500,000	\$1,500,000
NYS Affordable Housing Corp.	\$2,117,500	\$2,117,500
Equity		
NYSERDA	\$187,331	\$187,331
Bridge Financing (Calvert Foundation)		
Home for New Yorkers - Subordinate Financing	\$2,500,000	
Developer Loan	\$550,589	
Developer Dev Loan Interest (Placeholder)	\$71,576	
Co-Op Sales Proceeds (Equity)		
Sales Proceeds - Tier 1	-	\$7,729,058
Sales Proceeds - Tier 2	-	\$3,123,107
Developer Equity	\$1,675,000	\$1,675,000
Deferred Developer Fees	\$1,500,000	-
TOTAL	\$31,963,096	\$31,963,096

* Taxable Bonds, floated during construction with a JP Morgan Chase line of credit, at 7.7% interest rate

** Federal LIHTC @ \$0.82, state LIHTC @ \$0.49. Equity investment from Chase via Richman

JP MORGAN CHASE

A large portion of financing which was supported by Tax Credits were purchased by Chase Bank at \$0.82 for Federal LIHTC & state LIHTC at \$0.49. Chase bank is one of the largest purchaser of tax credits. Though the risk was higher, considering the strength & reputation of the players – including JFP Rose specializing in green structures and Phipps Houses with over 100 years of experience in affordable housing, and a strong support from city stakeholders.

Chase decided to purchase the tax credits against equity in the project. It also helps Chase bank to fulfill their CRA requirement; a win-win deal for both the developers and the bank.

IMPACT OF SUBSIDY

Condo apartments received a substantial amount of subsidy, ranging from 58% to 65% of the cost of development of an individual dwelling unit.

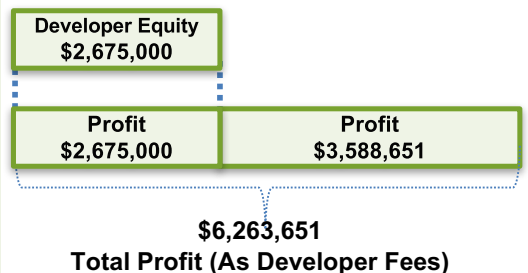
Subsidy received for an area ranging from 872 to 1152 sq.ft. is 64.5%. The table exemplifies the closing cost estimate of the two-bedroom co-op unit. The total estimated cash needed (as initial payment) to buy the two-bedroom co-op unit is 3.5% of its total cost of development.

PERFORMANCE-PROFORMA

The Return on Equity for developers which inclusive of the developer fees is 2.34. This is reflective of a huge profit margin for the developers. The ratio clearly denotes a substantial amount of profit margin earned by the developer in the form of fees (i.e. 234%). While the developer's equity goes permanent (i.e. the equity is still in the project), the developer's fees helps them to recover the amount equal to their equity and gives additional profits amounting to 134% of the equity.

The fact that the project started its construction in 2010 and the sales and leasing strategy achieved approximately 98% occupancy by 2012 indicates a strong profitability for the developer. In a short span of three years the developer has received 2.34 times the equity invested (in the form of Developer Fees).

CLOSING COST ESTIMATE:-2 BEDROOM	
Cost of Development	\$411,418
Less :Subsidy	\$265,386
Net Price	\$146,032
Down Payment (5%)	\$7302
Loan Amount	\$1387,31
Interest Rate	4.50%
Term	30 years
Principle	\$703
Common Charges	\$880
Total Estimated Monthly Cost	\$1,583
Application Fees	\$395
Processing & Underwriting Fee	\$595
Tax Service Fee	\$69
NYS Transfer Tax	\$1646
Sponsor Legal fees	\$1500
Flood Certification Fee	\$14
Title Closer Fee/Pick Up Fee NY	\$150
Interest – for 15 days	\$257
Working Capital	\$880
Attorney, Title Insurance, Recording Fee	\$1950
Estimated Closing Fees	\$7,456
Total Estimated Cash Needed	14,757



AFFORDABILITY, UNITS & COSTS

Affordable Rental Units

No. of units	Income Restrictions	Income					Monthly Rate	
		(Family of Four)	Studio	1-Bedroom	2-Bedroom	3-Bedroom		
17	<30% AMI	\$23,040	-	\$349	\$423	\$489		
13	<40% AMI	\$30,720	\$461	\$493	\$596	\$688		
120	<60% AMI	\$46,080	\$731	\$781	\$942	\$1087		

Co-op Units

No. of units	Income Restrictions	Income					Purchase Price	
		(Family of Four)	Studio	1-Bedroom	2-Bedroom	3-Bedroom		
5	<80% AMI	\$61,450	-	\$134,585				
39	<150% AMI	\$115,200	-		\$146,032			
26	<175% AMI	\$134,400	-				\$192,750	

The 151 rental units are targeted at people with income less than 60% of Average Median income (AMI), whereas the 71 co-op units are dedicated to people with income between 80% to 175% of AMI.

Seventeen of the rental units are reserved for the people with lowest level of income having income less than 30% of AMI. The type of funding used for the project makes it mandatory to accept people with income under 30% of median income. The lowest monthly rent is \$349 for the 1 Bedroom & the highest being \$1087 for a 3 bedroom unit. The rental rates can be adjusted to market value only after 30 years (i.e. after completing the term of affordability of 30 years).

Subsidies for co-op units ranging from 58% to 65% allowed them to be sold at a starting price of \$134,585 for a 1 Bedroom unit going upto \$192,750 for a 3 bedroom

duplex. The prices may represent the market purchase price in Melrose, Bronx, but they cover less than 50% of the cost of development.

EXIT STRATEGY

Sales and Leasing

Although, finding prospective customers may not be difficult and the affordable housing demand is self-driven in the given market, the process to approve a new tenant is time consuming.

A lottery system was implemented, that is currently managed by Phipps Houses, for selecting buyers of the co-op units. Units of all types were absorbed within a short period. The rental units were leased immediately, and received about 7500 applications that had to be interviewed to identify the appropriate mix of 151 units.

The average monthly cost for co-op owners is \$1600, inclusive

of mortgage, 5%downpayment and maintenance fee. Co-op ownership is an important component to ensure control over long term affordability.

Financial Exit

A regulatory agreement along with 30 year mortgages from HPD & HDC ensure long term affordability. Co-op owners may sell at any time, but only to income qualified buyers. The resale restrictions exist because of the range of subsidies provided by HDC and HPD. Any sale during the term of affordability requires a reimbursement of the subsidy. For years 1-3, 100% of profits go back to HPD/HDC and for years 4-30, 50% of profits go back to HPD/HDC

For the developers, the financial exit from co-ops was executed by paying-off the debt through sales proceeds, whereas the rental component was paid-off using tax credits.

OPERATIONAL ISSUES

Phipps houses is the one who manages and operates the property. The 100 year old experienced not-for-profit organization is efficient in managing the property and no operational issues are reported. In order to help residents to understand the building and its environmentally friendly functions, and annual letter is distributed. This also helps to manage effective communication between the tenants and management. When dispute arise between a tenant and management, they are resolved quickly because residents want to be able to stay. Residents can raise any issues or concerns to the concierge desk which is staff 24x7. Via Verde management is committed to changing people's expectations about affordable housing. There are no major operational issues found with Via Verde.

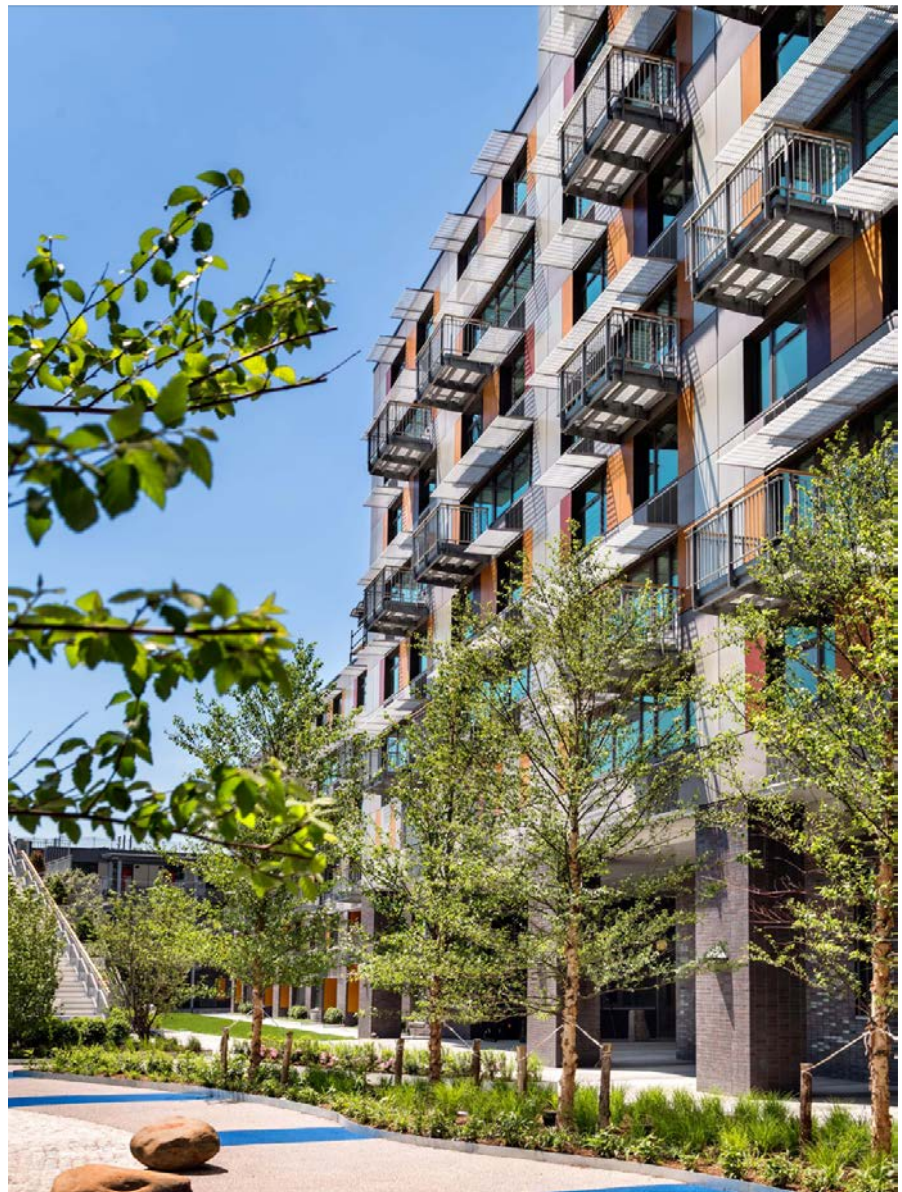
KEY CHALLENGES

Some of the challenges regarding the site were brownfield remediation and the significant cost involved for the process of improving the quality of land and making it fit for construction. Thereafter, the narrow triangular shape was tackled by the architects in an exemplary an efficient manner.

The social interaction between renters and owners is critical, and is handled by engaging both groups in shared community activities, thus fostering a sense of responsibility towards together living in Via Verde.

AWARDS + REVIEWS

2015 Civic Trust Award
2014 HCR Design Award - Outstanding Family Residence
2013 American Council of Engineering Companies (ACEC) New York Diamond Award
2013 Society of American Registered Architects: Sustainability Award 2013 Residential Architecture Award
2013 AIA Housing Awards
2013 AIA / HUD Secretary Awards
2013 Rudy Bruner Award for Excellence - Silver Medalist
2013 RIBA International Awards
2013 AIA New York State Award of Excellence
2013 American Society of Landscape Architecture Honor Award
2013 Boston Society of Architects John M. Clancy Award
2012 ABC Excellence Construction Award
2012 Andrew J. Thomas Housing Awards
2012 Multi-Housing News Excellence Awards - Best New Affordable Housing Development
2012 SMPS-NY Industry Awards
2012 Jack Kemp Workforce Housing Models of Excellence Award



Impact

The first and foremost impact that the development has had is that of **servicing as a model** for sustainable and affordable housing projects. Providing a fully articulated set of sustainable features and emphasizing on green design unlike most affordable housing projects has set a new standard.

Access to open spaces and plant life as well as opportunities for walking and physical activity have proven to be promising indicators of the extent to which green housing can **improve the health of residents**.

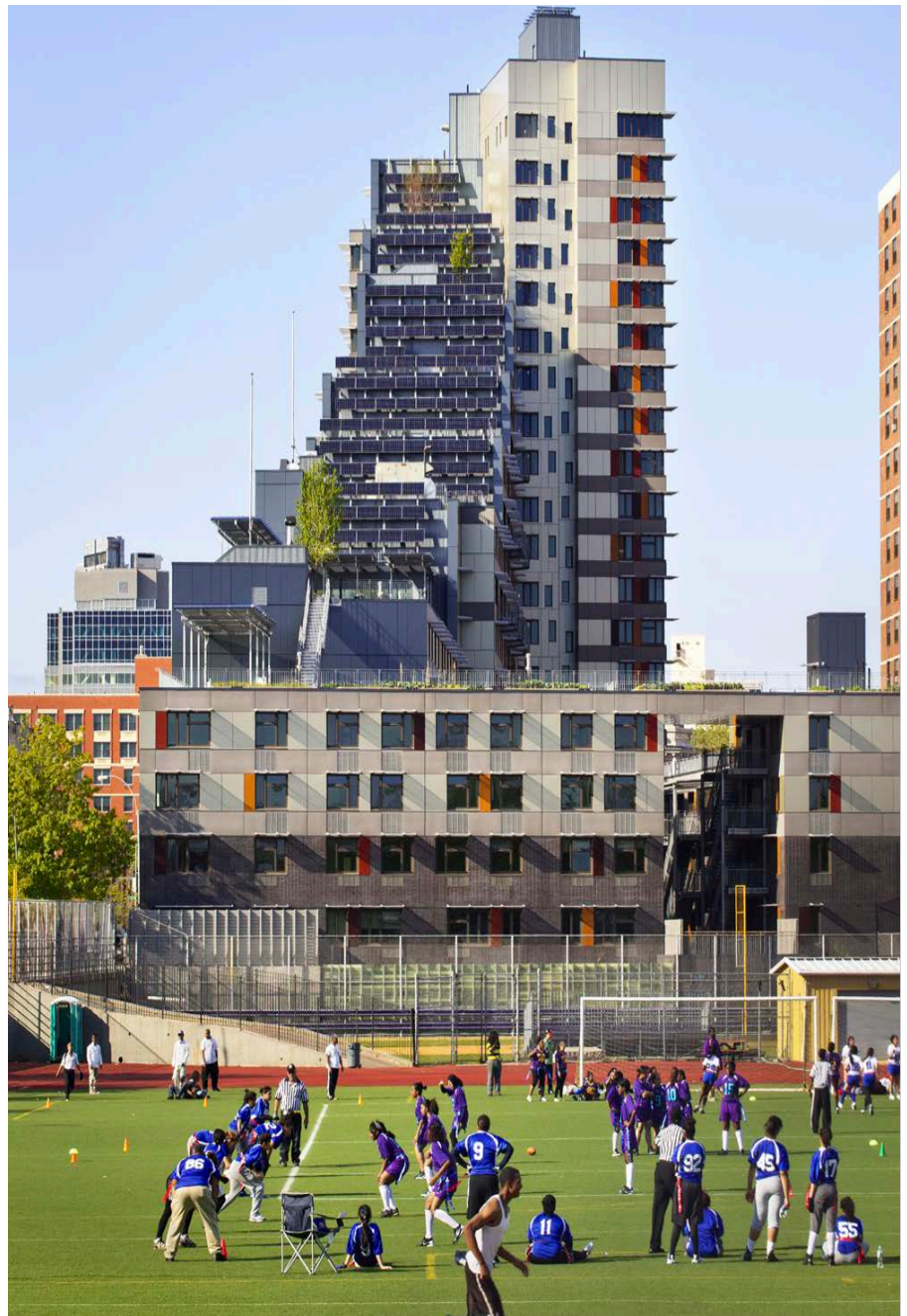
Inspired by the success of the development, HPD now requires all new construction to meet Enterprise Green Community Standards, and demonstrate at least 15% share of the energy efficiency that was achieved by Via Verde. Striking a balance between a high density mixed-income, sustainable design and open spaces, Via Verde has **tapped into some of the best practices that HPD now wants to promote** within the upcoming developments.

Via Verde also served as an example for some of the **regulatory reforms** such as the New York City Green Zoning rules.

The Joint Review Committee (JRC) has addressed some critical development issues saving on time and money. Although not an institutionalized

Committee, the JRC has displayed a unique approach of tackling an affordable housing development project in New York City. Via Verde is an **important development in Melrose**. While it is a community in itself, it extends

support and character to the external community by generating foot traffic, offering spectacular views, activating Brook Avenue and offering business to the neighborhood through the Montefiore clinic and retail spaces.



REFERENCES

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5. *ULI Case Study – Via Verde*
6. *Phipps Houses*
7. *South Bronx Initiative 2008*
8. *Developer’s Press Kit*
9. *Interviews with Rose Companies & Phipps Houses*