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**MAYOR BLOOMBERG JOINS PHIPPS HOUSES, RELATED COMPANIES AND
MONADNOCK CONSTRUCTION TO BREAK GROUND ON FIRST TWO
RESIDENTIAL BUILDINGS AT HUNTER'S POINT SOUTH ON QUEENS
WATERFRONT**

*All 925 Residential Units of Phase I to be Permanently Affordable and Will Include Resiliency
Features to Mitigate Impact of Future Severe Storms*

Request for Proposals for Phase II to Be Issued Next Month

Mayor Michael R. Bloomberg, Deputy Mayor for Economic Development Robert K. Steel, and Department of Housing Preservation and Development Commissioner Mathew M. Wambua were joined today by New York State Homes and Community Renewal Commissioner/CEO Darryl C. Towns, Phipps Houses Group President & CEO Adam Weinstein, Related Companies President Bruce A. Beal, Jr., and Monadnock Construction President Nick Lembo to break ground on the first two residential buildings of the Hunter's Point South development on the Queens waterfront. When complete the multiphase Hunter's Point South project will be largest new affordable housing

(more)

complex to be built in New York City since the 1970s. This first phase includes the first two residential buildings with 925 permanently affordable apartments and roughly 17,000 square feet of new retail space, key infrastructure installations, a new five-acre waterfront park, and a new 1,100-seat school. Mayor Bloomberg also announced that the City will issue a Request for Proposals for Phase II of the Hunter's Point South development next month. The City collaborated with New York State to help finance the residential buildings, which under the direction of Governor Andrew M. Cuomo, allocated \$185 million of tax-exempt bonds for the project. HDC issued \$236 million in tax exempt bonds, and HPD provided \$68 million in subsidy. Hunter's Point South is the largest affordable housing development in the Bloomberg Administration's New Housing Marketplace Plan, a multibillion dollar initiative to finance 165,000 units of affordable housing for half a million New Yorkers by the close of the 2014 fiscal year. To date, the NHMP has funded the creation or preservation of more than 143,300 units of affordable housing across the five boroughs. For every dollar invested by the City, the Plan has leveraged \$3.43 in additional funding for a total commitment of more than \$21 billion.

"After years of planning and partnership, we're breaking ground on the first large-scale middle-class development to be built in our city in more than three and a half decades," said Mayor Bloomberg. "In just a few years, Hunter's Point South will have all the makings of a great community – affordable homes, new transportation links, beautiful parks with sweeping views, and a brand-new school."

Mayor Bloomberg was also joined at the announcement by , Queens Borough President Helen M. Marshall, Council Member Jimmy Van Bramer, Queens Community Board 2 Chair Joseph Conley, New York City Economic Development Corporation Executive Director Kyle E. Kimball, Managing Director of Wells Fargo Multifamily Capital Alan Wiener, Bank of America Community Development Banking Executive for the Northeast Region Todd Gomez, and Co-Head of Citi Community Capital Andrew Ditton.

"Two of the hallmarks of Mayor Bloomberg's economic development agenda – enlivening our waterfront and an historic expansion of affordable housing – are being further advanced with the progress of Hunters Point South," said Deputy Mayor for Economic Development Robert K. Steel. "This is an extraordinary accomplishment that will create a dynamic new community on the Queens waterfront."

"The City's efforts to develop and preserve affordable housing range from providing downpayment assistance to aspiring homeowners to building developments on the scale of Hunter's Point South. Whether small or large, each housing opportunity makes a difference and changes lives," said HPD Commissioner Mathew M. Wambua. "For years we recognized the promise that development of this site could bring, and I believe that with this plan we are realizing that potential. From the day we issued the RFP, through the selection of the development team, and closing of the transaction this past February 14th, we have moved with extraordinary swiftness and deliberate purpose. We are fortunate to have selected partners who share our vision and who are working with us to see a new neighborhood, with 925 permanently affordable apartments, grow from the ground up. Our fellow New Yorkers will reap the rewards for many years to come."

“Hunter’s Point South exemplifies the commitment of this Administration to creating affordable housing, the strength of our financial partners, the passion of our public servants, and the nimbleness of the development team,” said HDC President Marc Jahr. “We’ve certainly weathered some storms – the recent financial tempest that threatened our economy and the superstorm that decimated our coastline. As evidenced by our presence here today, none of this has sapped our spirit and we are not retreating from waterfront development. I commend the development team for incorporating the lessons we learned from Sandy into the project plans so quickly, and our financial partners for staying the course. The benefits this development will bring to the City will endure for generations to come.”

New York State Homes and Community Renewal Commissioner/CEO Darryl Towns said, “Under Governor Cuomo’s leadership, the State, as part of its commitment to maintaining its role as a progressive leader, is deeply committed to the development of affordable housing for New Yorkers. Here in Hunter’s Point, more than 1,000 individuals and families will have a safe affordable home, because the state worked with the City to make bond financing available. This cooperation is how government works best, when our bottom line is helping people live better lives.”

All of the 925 apartments in the two mixed-use residential buildings located on sites A and B will be permanently targeted to low-, moderate- and middle-income families. The RFP originally set a minimum of 60 percent of the units to be income-restricted. During the course of negotiating the financing for the project, the City and development team were able to come to an agreement that made it feasible for 100 percent of the units to be permanently affordable for this phase. It is anticipated that the buildings will be ready for occupancy in 2014 with construction fully completed in 2015.

Site A, a 37-story building to be located at 1-50 50th Avenue, will be comprised of 619 permanently affordable units, approximately 13,739 square feet of retail space, and a parking garage with approximately 220 spaces. There will be 165 studio, 205 one-bedroom, 214 two-bedroom, and 35 three-bedroom units. Site B, a 32-story building located at 1-55 Borden Avenue will be comprised of 306 permanently affordable units and approximately 3,000 square feet of retail space. There will be 100 studio, 82 one-bedroom, 101 two-bedroom and 23 three-bedroom units.

Designed by SHoP Architects, with Ismael Leyva Architects, the team’s plan for the two residential mixed-use buildings in Phase I feature classic tripartite building composition in a modern, façade design. As with all new affordable housing construction and substantial renovation projects funded by the City, Phase I must adhere to the Enterprise Green Communities Criteria, the only national green building criteria designed for affordable housing. It is expected that this development will achieve a LEED Silver rating when complete.

Sites A and B will have a variety of tenant amenities including public terraces, a fitness center, children’s play room, tech center, bike storage and party rooms in each building. Site A will also have a community garden. All of the two- and three-bedroom units in each building will contain in-unit washers and dryers.

At Site A, 21 units will be targeted to low-income households with an annual income of up to 40% of the area median income (AMI) or \$33,200 for a family of four and 103 units will be targeted to low-income households with an annual income of up to 50 percent of AMI or \$41,500 for a family of four, 288 units will be targeted to moderate-income households earning up to a maximum of 165 percent of AMI or \$148,010 for a family of four, and 206 units will be targeted to middle-income households earning up to 230 percent of AMI or \$190,900 for a family of four, with one unit reserved for the superintendent.

At Site B, 10 units will be targeted to low-income households with an annual income of up to 40% of the area median income (AMI), and 52 units will be targeted to low-income households with an annual income of up to 50 percent of AMI, 142 units will be targeted to moderate-income households earning up to a maximum of 165 percent of AMI, and 102 units will be targeted to middle-income households earning up to 230 percent of AMI.

Like much of New York City's coastline, the Hunter's Point South waterfront was affected during Hurricane Sandy. The Phase I project plans include resiliency measures to ensure that should another severe weather event hit the Queens waterfront, the impact will be mitigated. These measures include:

- Building mechanical systems are located on the 2nd floor or higher.
- Both the condensing boilers and cogeneration plants are on the 4th floor on Site A and 2nd floor on Site B, and are powered by natural gas. One of the two cogeneration plants also serves as a back-up generator.
- Emergency generators are located on the roof.
- All exterior doors in the flood plain are designed to receive flood gates.
- The building frontage located in the floodplain has a concrete base up to the flood plain elevation that is designed to act as a flood wall.

The New York City Economic Development Corporation (NYCEDC) is in the process of constructing the infrastructure and roadways that will support the first phase of residential development. Work includes the installation of storm and sanitary sewers and water mains and is approximately 95 percent complete; works on curbs, roadways, and sidewalks are approximately 5 percent complete; the installation of street lighting, traffic signals and signs and planting of street trees will take place this spring.

NYCEDC is also constructing a 5-acre waterfront park that borders the residential parcels and the school. The park is approximately 70 percent complete and includes a playground, basketball court, dog run, train track "rail garden," and large "oval" that will serve as a place for active recreation and passive uses. This phase also includes work by the New York City School Construction Authority on a new, 1,100-seat Intermediate/High School, 404-Q, which is approximately 70 percent complete and slated to open in September for the 2013/2014 school year.

The total development cost for the two residential buildings in Phase I of Hunter's Point South is approximately \$332 million, with HDC issuing \$236 million in tax exempt bonds, HPD providing \$68 million in subsidy, the developer contributing over \$27 million of equity, and New York State Energy Research and Development Authority (NYSERDA) providing grants of approximately \$1.2 million during construction for green elements. Wells Fargo Bank and Bank of

America have issued a Letter of Credit to enhance the HDC senior loan of more than \$163.2 million for Site A during construction. Wells Fargo Community Lending as the Low-Income Housing Tax Credit investor will contribute approximately \$19.6 million for Site A and \$8.8 million for Site B to pay down a portion of the construction financing. Citibank will purchase the bonds and provide credit enhancement for the HDC senior loan of \$72.8 million for Site B during construction.

New York State has provided an allocation of up to \$185 million of tax-exempt private activity bond volume cap to allow the project to benefit from as-of-right 4 percent federal Low Income Tax Credits. HDC will issue the balance as recycled bonds.

“From the earliest stages of this project, the partners each committed to advancing Mayor Bloomberg’s ambitious affordable housing agenda by making our proposal 100% affordable to a wide range of working households. We stuck to that pledge,” said Adam Weinstein, President and CEO of Phipps Houses. “As the largest not-for-profit housing organization in the City, Phipps Houses was proud to join with our long-time partners, Related and Monadnock, along with guidance and close partnership from the City’s Department of Housing Preservation and Development and the Housing Development Corporation, to get it done.”

“Creating housing opportunities for all New Yorkers has been a goal of Related’s for the last four decades, and we are proud to be a part of the Bloomberg administration’s vision for transforming Hunter’s Point,” said Related Companies President Bruce A. Beal, Jr. “These two buildings will offer critical housing to our City’s working-class and low-income families and play an important role in this neighborhood’s transformation into a vibrant, sustainable mixed-use community.”

“This groundbreaking is a major milestone in the Bloomberg Administration’s vision of Hunter’s Point South as New York’s next vibrant mixed-income neighborhood,” said Monadnock Construction President Nick Lembo. “This day has been made possible through our great partnership with the City’s housing agencies and private sector lenders as well as strong support from union labor. We thank Mayor Bloomberg for his leadership and are ready to get to work.”

“Today’s announcement marks a critical step forward in the transformation of this underutilized area into a vibrant waterfront neighborhood for middle-class New York families, featuring open space, a new school, and accessible public transportation,” said New York City Economic Development Corporation President Seth W. Pinsky. “Thanks to the City’s investment in innovative infrastructure as a key component of this project, the site withstood the effects of Hurricane Sandy largely unscathed, making Hunter’s Point South an international model for resilient waterfront development.”

“NYC Parks is a key part of the Bloomberg Administration’s ongoing commitment to opening up the Queens waterfront for New Yorkers and visitors to enjoy,” said NYC Parks Commissioner Veronica M. White. “Hunter’s Point South will make a beautiful and sustainable 11-acre haven for generations to come, with the first phase now taking shape thanks to the City and several partner agencies, as well as Tom Balsley of Tom Balsley Associates, our consultant for the park design.”

“We are delighted to open a new school in September in Hunter’s Point South that will have seats for more than 1,000 students with a state-of-the art science lab for prep work and demonstrations,” said DOE Deputy Chancellor of Operations Kathleen Grimm. “The school also will have a gym, library, auditorium and a technology center, and will include separate classrooms for a special education program and for middle school and high school students.”

“I am thrilled that New York's most exciting new development is one step closer to fruition. Hunter's Point South – with its affordable housing opportunities, new school space, waterfront views and open park space – will continue to build on the foundations that make Long Island City New York’s most exciting up and coming neighborhood. Hunter’s Point South will help this community fulfill its potential as an economically vibrant and environmentally sustainable place to live and experience all that New York City has to offer,” said Senator Michael Gianaris.

“I have long been a supporter of this project and am happy to see that we are breaking ground on this new community here at Hunter’s Point South,” said Assemblywoman Catherine Nolan. “I am hopeful that the long-time residents of Western Queens and those new residents of Hunters Point South can all benefit from a vibrant arts community, a new middle and high school, adequate police and fire protection facilities, a library in close proximity and accessible transportation.”

“Today’s groundbreaking heralds yet another new mini-city on the East River that will continue the transformation of this community,” said Queens Borough President Helen Marshall. “It also will eventually result in the building of much needed resources, including hundreds of units of affordable housing, a school, park and retail opportunities that will attract additional investment and economic activity that bodes well for the future of our entire City. Working with Mayor Bloomberg and our partners in the private sector, I look forward to this latest addition to our western Queens waterfront.”

“Today’s groundbreaking represents another milestone in the ongoing transformation of Hunters Point,” said Council Member Jimmy Van Bramer. “The two towers that begin construction today will be affordable to many who live and want to remain residents in Western Queens. I am also thrilled that in addition to these beautiful buildings we will gain more retail, a new bike lane network and a new eleven-acre City park complete with green space and a state-of-the-art dog run. Long Island City represents the future of New York City, and with projects like these, that future is a bright one.”

“Investing in New York’s future is a priority for Wells Fargo,” said Alan Wiener, Managing Director of Wells Fargo Multifamily Capital. “We applaud Mayor Bloomberg and his administration’s leadership and are thrilled to be involved in this historic public private partnership to create workforce and lower-income housing. The Hunter’s Point South development will make New York City a better place to live for generations to come and we are proud to partner with this experienced development team to make it happen.”

“Bank of America Merrill Lynch is proud to provide \$82.5 million in construction financing for Hunter’s Point South apartments, which will provide much-needed workforce housing,” said Todd Gomez, Community Development Banking Executive for the Northeast Region at Bank of

America Merrill Lynch. "Through the vision of Mayor Bloomberg, Related Companies, Phipps Houses and Monadnock Construction, this development will add an important affordable alternative in one of Long Island City's most attractive new neighborhoods. Projects such as Hunter's Point South apartments allow us not only to be one of the nation's largest and most active affordable housing lenders but also allows us to make an important contribution to the Mayor's vision."

"Citi truly appreciates the opportunity to participate in the financing of Hunters Point South in Long Island City," said Andrew Ditton, Co-Head of Citi Community Capital. "As part of our ongoing mission, we believe it is important to support the communities we serve and we are confident that this project will help provide quality housing for a broad range of income groups, who would otherwise struggle to find housing of this quality and location."

Mayor Bloomberg also announced that next month the City will be issuing the RFP for Site C, the block on the south side of Borden Avenue, an 110,000 square-foot lot, which will be the second phase of the Hunter's Point South development. The Phase II RFP will call for approximately 1,000 units of housing with a minimum of 50-60 percent of the units designated as permanently affordable and approximately 28,000 square-feet of community/commercial space. The RFP guidelines will also include requirements for storm and flood mitigation.

When complete, Hunter's Point South will be the largest affordable housing development built in New York City since the early 1970s when Co-op City and Starrett City were completed. It will include approximately 5,000 new units of housing, more than 11 acres of landscaped waterfront parkland, new retail shops, community facility space, and the new 1,100-seat school.

The Hunter's Point South plan completed the Uniform Land Use Review Procedure in November 2008. In 2009, the City acquired the entire 30-acre Hunter's Point South site from the Empire State Development Corporation (ESDC) and the Port Authority of New York and New Jersey (Port Authority) for \$100 million dollars. In the late 1980s, the Hunter's Point South site was slated to become the third and fourth phase of New York State's Queens West Development which called for 2,200 apartments and more than two million square feet of office space. Later the site was envisioned as the location for the Olympic Village as part of the City's 2012 Olympic bid. On the heels of the sale of Stuyvesant Town and Peter Cooper Village in 2006, Mayor Bloomberg announced the City's intention to acquire the site from ESDC and the Port Authority to create the City's first large-scale moderate- and middle-income housing in decades. Since then, multiple City agencies have worked together with the community to develop the Hunter's Point South Plan that is being built today.

The development of Hunter's Point South will advance the goals of the Waterfront Vision and Enhancement Strategy, a citywide initiative launched in 2010 by Mayor Bloomberg and Speaker Quinn that will create a new sustainable blueprint for the City's more than 500 miles of shoreline. The initiative provides a blueprint for the City's waterfront and waterways, and focuses on open space and recreation, the working waterfront, housing and economic development, natural habitats, climate change adaptation and waterborne transportation.