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**MAYOR BLOOMBERG ANNOUNCES HISTORIC COLLABORATION WITH
NATIONAL CHARITIES AND FINANCIAL INSTITUTIONS FOR THE BUILDING
AND PRESERVATION OF AFFORDABLE HOUSING**

*\$200 Million Fund Will Help Local and Not-for-Profit Developers Acquire Privately-owned Sites
For the Construction and Preservation of Affordable Housing*

Mayor Michael R. Bloomberg announced today that seven national philanthropies, the City's leading financial institutions and the City of New York will launch a \$200 million initiative, the New York Acquisition Fund, to serve as catalyst for the construction and preservation of more than 30,000 units of affordable housing Citywide in the next 10 years. The Fund will provide local and not-for-profit developers with a financial mechanism to acquire private property for the construction and preservation of affordable housing. The affordable developments to be financed by the Fund include rental, homeownership, and supportive housing. Mayor Bloomberg, New York City Department of Housing Preservation Commissioner Shaun Donovan and the chief executives of the seven charities announced the New York Acquisition Fund at a 207-unit supportive housing residence on West 24th Street in Manhattan, the Christopher, which includes 167 permanent affordable apartments for low-income working adults and the formerly homeless.

"The New York Acquisition Fund is a wonderful example of the desire to improve the material, social and spiritual welfare of humanity through charitable activities – the very definition of philanthropy," said Mayor Bloomberg. "By joining resources to construct affordable housing on privately-owned property, the City of New York and these seven national philanthropies acknowledge that the quest for affordable and quality housing is the most complex and pressing challenge facing working New Yorkers and their families today."

The four national philanthropies that have committed \$26.5 million to the New York Acquisition Fund are the Ford Foundation, the John D. and Catherine T. MacArthur Foundation, the Rockefeller Foundation, and the Starr Foundation. The Open Society Institute has committed operating support for the start up of the Fund. The Enterprise Foundation will serve as the managing general partner of the Fund, and the Local Initiatives Support Corporation will serve as the general partner. The City of New York will allocate \$8 million from the corporate reserves of the New York City Housing Development Corporation (HDC) to the New York Acquisition Fund. Some of the City's major banks and financial institutions will provide \$160 million for the fund.

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The supply of City-owned land for affordable housing is nearly exhausted. In August, Mayor Bloomberg announced the issuance of the last citywide Requests for Proposals for 248 vacant HPD-owned sites suitable for residential development. While the redevelopment of the formerly City-owned portfolio of land and buildings has produced more than 229,000 apartments and houses since 1987, New York City continues to experience a shortage of affordable housing. Developers most interested in developing affordable housing are non-profit organizations and smaller local developers who typically do not have the financial resources to compete to acquire property in the private market. The Fund will give developers of affordable housing assistance in acquiring property to ensure that they can continue developing affordable housing and to ensure the preservation of affordable housing.

Financial Institutions will fund loans to affordable housing developers through non-profit lenders including the Enterprise Foundation, LISC, The Corporation for Supportive Housing and the Low Income Investment Fund. The \$40 million provided by the Foundations will secure the loans being made by the financial institutions and the non-profit lenders should a developer default on a loan. Through this \$40 million “guarantee pool,” the Fund helps to minimize the risk taken by the financial institutions by providing security.

“New York City is renowned for our success story of revitalizing neighborhoods through using City-owned land for affordable housing, but that supply is nearly exhausted,” said HPD Commissioner Shaun Donovan. “As HPD develops a new housing pipeline, the Acquisition Fund will create a new set of opportunities for affordable housing using land and buildings in the private market. Developers interested in building or acquiring affordable housing will now receive a helping hand when competing for privately-owned land or housing. We are extremely grateful to our partners for their generosity and commitment to creating and preserving affordable homes for thousands of New Yorkers.”

“It is impossible for the city to remain diverse if large numbers of New Yorkers are effectively priced out of the local housing market,” said Starr Foundation Chairman Maurice R. Greenberg. “That’s why The Starr Foundation made the initial \$12.5 million challenge grant that helped lead to the creation of the \$200 million housing fund we are announcing today.”

“Hurricane Katrina has underscored the vital importance of housing, and of doing everything we can to expand the supply of affordable housing, particularly for low-income families,” said Rockefeller Foundation President Judith Rodin. “The New York Acquisition Fund is precisely the type of innovative approach these times demand. With aggressive strategies like these, we can help ensure that thousands of New Yorkers can make their dreams of living in a decent home a reality.”

“The shortage of reasonably priced apartments is a national problem,” said The John D. and Catherine T. MacArthur Foundation President Jonathan Fanton. “This new Fund will make it possible to build more affordable housing where there is vacant land and fresh opportunity. It also will provide funds to preserve and improve the existing homes of lower-income families and seniors across the city. This is a winning combination.”

“The limited availability of land for development of affordable housing has become a major issue in many cities,” said Ford Foundation President Susan V. Berresford. “This unique partnership will provide much-needed capital to build and preserve affordable housing for tens of thousands of New Yorkers who otherwise might lack a secure home. It shows the power of collaborations that generate public and private investments to improve opportunities for low-income families.”

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“This effort to bring affordable housing to thousands of New Yorkers reflects the mission of the Open Society Institute to foster vibrant civic life in our communities,” said Open Society Institute US Programs Vice President Gara La Marche. “OSI created a similar program in South Africa, where it worked with the post-apartheid government to finance the construction of homes for low-income families. We are confident that this unprecedented alliance between foundations and the City will build stronger neighborhoods in New York.”

“Enterprise is proud to have been a part of the remarkable evolution of this project,” said Enterprise Foundation Board of Trustee Chairman and CEO Bart Harvey. “What started as collaboration with the Starr Foundation to advance our Billion Dollar Promise of affordable housing in New York has become a city-wide partnership of unprecedented scale. This kind of innovative thinking and public-private collaborations with the City of New York are a central force in all of our work to create and preserve affordable, quality homes here.”

“For nearly twenty years, LISC has worked in close partnership with the City of New York to finance affordable housing sponsored by community-based groups throughout the city,” said LISC President and Chief Executive Officer Michael Rubinger. “This acquisition fund will provide an important new resource to continue that effort, even in the face of escalating costs and property values. We are pleased to be part of this new initiative.”

The New York Acquisition Fund was announced at The Christopher - a 207-unit supportive housing residence on West 24th Street in Manhattan that opened in September 2004. The Christopher, which is owned and operated by Common Ground Community, includes 167 permanent affordable apartments for low-income working adults and the formerly homeless, as well as New York's first Foyer Program, a forty-unit housing-based career development program for young adults who are aging out of foster or residential care, are homeless, or at risk of homelessness. On-site supportive services are provided by the Center for Urban Community Services and Good Shepherd Services. The Christopher is located in a former YMCA purchased from the prior owner with financing from government, foundation and private sources, and therefore represents the type of property that will be assisted by the Fund.

“In developing the Christopher, we had to manage the requirements and deadlines of 17 funding sources, a process that took four years,” said Common Ground President Rosanne Haggerty. “The New York Acquisition Fund will streamline and accelerate the development of housing for homeless and low-income New Yorkers.”

“In the first 18 months of our administration, we invested \$750 million into building and rehabbing more than 18,500 units of housing throughout the City,” said Mayor Bloomberg. “About 15,000 of them have already been completed. We have also launched a \$3 billion initiative to build and renovate 68,000 units of affordable housing for 200,000 New Yorkers by the end of 2008. Since announcing our *New Marketplace Housing Plan* we have completed or started work on more than 28,500 units of affordable housing. In total, over the last four years we have committed to build or rehab 86,500 units of affordable housing for over 250,000 New Yorkers at the cost of almost \$4 billion and today 47,000 units have either been completed or are in the pipeline. Only a public-private partnership of the magnitude of the New York Acquisition Fund can continue to stimulate large scale affordable housing for the New Yorkers who need it the most.”

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Mayor Bloomberg and Department of Housing Preservation and Development (HPD) Commissioner Shaun Donovan were joined in announcing the Fund by Starr Foundation President Florence Davis, Rockefeller Foundation President Dr. Judith Rodin, John D. and Catherine T. MacArthur Foundation President Jonathan Fanton, Open Society Institute Trustee Herbert Sturz, Ford Foundation Vice President for Asset Building and Community Development Pablo Farias, Enterprise Foundation Board of Trustee Chairman and CEO Bart Harvey, Local Initiatives Support Corporation President and CEO Michael Rubinger, New York City Housing Development Corporation President Emily Youssouf, Corporation for Supportive Housing Regional Director Connie Tempel, and Low Income Investment Fund, New York Office Director, Brian Segel.

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