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**DE BLASIO ADMINISTRATION LAUNCHES NEIGHBORHOOD PILLARS
PROGRAM TO PROTECT TENANTS AND PRESERVE AFFORDABILITY**

Dedicated fund will help non-profit and mission-driven organizations acquire rent-stabilized and unregulated buildings to preserve as affordable housing

NEW YORK— Mayor de Blasio, Department of Housing Preservation and Development Commissioner Maria Torres-Springer, and Housing Development Corporation President Eric Enderlin announced today the official launch of the City’s [Neighborhood Pillars](#) Program. [First announced](#) as part of [Housing New York 2.0](#), the Mayor’s ambitious housing plan to finance 300,000 affordable homes by 2026, Neighborhood Pillars will help finance each stage of the process of acquiring and rehabilitating existing rent-stabilized and unregulated buildings to protect current tenants and preserve affordability in neighborhoods across the city. The Neighborhood Pillars program aims to fund the acquisition and preservation of nearly 7,500 homes over the next eight years, an effort made possible by funding commitments from the Community Preservation Corporation, Wells Fargo Foundation, HDC and HPD in coordination with Neighborhood Restore HDPC.

“We are using every tool available to fight the affordability crisis, and with Neighborhood Pillars, we are adding one more,” said **Mayor de Blasio**. “Now, non-profit developers will have access to the capital required to purchase buildings and ensure their long-term affordability for over 18,000 New Yorkers.”

“Neighborhood Pillars will help level the playing field for non-profits and mission-driven organizations and will provide the resources needed for these organizations to buy affordable housing in the communities they know best,” said **Deputy Mayor Alicia Glen**.

“Preservation is the cornerstone of the Mayor’s housing plan and our efforts to keep New Yorkers in their homes and neighborhoods. Through our new Neighborhood Pillars program, we’re giving community-based organizations the tools they need to compete in a fast-changing market. Now, pre-qualified non-profits will have greater access to the capital and technical assistance they need to purchase rent-stabilized and unregulated buildings and finance their long-term quality and affordability,” said **HPD Commissioner Maria Torres-Springer**. “I want to

thank our partners at Wells Fargo, CPC, and HDC for their generous support and forward-thinking in our fight to keep this city affordable for generations to come.”

“Local nonprofits are central to protecting the long-term affordability of our city,” said **HDC President Eric Enderlin**. “The new Neighborhood Pillars program will equip these organizations with the tools they need to compete in today's challenging real estate market and ensure greater housing opportunities for future generations of New Yorkers. I thank all the partners who have contributed to launching this exciting and important new initiative.”

With a commitment of \$2 million from Wells Fargo Foundation and \$2 million from the Community Preservation Corporation, the City has established a new Down Payment Assistance Fund dedicated to pre-qualified non-profit community-based organizations looking to purchase rent-stabilized and unregulated buildings and finance their rehabilitation and the preservation of their affordability through the new Neighborhood Pillars program.

Changes in the state rent laws over the last few decades, combined with the surging demand for housing, have led to aggressive real estate speculation in rent-stabilized buildings, which provide a critical source of housing for low-income New Yorkers. Although there has been no significant net decline in rent stabilized units over the past decade, the city has experienced a substantial decline in the number of low-cost units. Since 2014, the number of units with contract rents less than \$1,500 has declined more than 12 percent or about 160,000 units. Neighborhood Pillars is the latest in a series of efforts to address these issues, and both improve the quality and preserve the long-term affordability of the city’s housing stock.

Community-based non-profit organizations are often well-positioned to identify the buildings most at risk of speculation and rapid turnover, but these organizations often lack the capital needed to make down payments and compete successfully in the acquisition market. The Neighborhood Pillars Down Payment Assistance Fund, the first of its kind, will help level the playing field by providing qualified not-for-profits with technical assistance and capital to use as a down payment or deposit on a contract to acquire properties and cover limited pre-acquisition costs.

The Fund is administered by Restored Homes Development LLC, an affiliate of Neighborhood Restore HDLC, and received critical contributions from Wells Fargo Foundation and CPC. Restored Homes will offer assistance to not-for-profits in sourcing, underwriting, and negotiating potential acquisitions.

“We need to do all we can to preserve affordability and housing quality for tenants in existing rent stabilized and naturally affordable buildings. Giving nonprofits and other preservation-minded owners the ability to compete in the acquisition market will help put these properties in the hands of responsible owners, and bring stability to the tens of thousands of people who call these small buildings home,” said **Rafael E. Cestero, President and CEO of CPC**. “CPC is committed to working with our partners at HPD to help solve our city’s most pressing housing and community development challenges.”

“Wells Fargo Foundation’s housing philanthropy efforts are focused on making housing more affordable, achievable, and sustainable as we work to build stronger communities,” said **Fred Bertoldo, Wells Fargo New York Region Bank President**. “This collaboration will help revitalize neighborhoods throughout New York City and is an example of the positive impact that can be achieved with thoughtful public-private collaboration.”

“Neighborhood Restore and its affiliate, Restored Homes Development LLC, are honored to be partnering with the City to provide technical assistance to non-profit community organizations as part of a collective effort to help more residents stay in their homes and neighborhoods. We believe that the Neighborhood Pillars Down Payment Assistance Fund will act as an essential tool for non-profit and mission driven organizations looking to invest in their communities,” said **Salvatore D’Avola, Executive Director, Neighborhood Restore Housing Development Fund Corporation**.

In order to meet the needs of a growing pipeline of acquisitions that will need funding, HDC has also committed to contribute \$15 million to increase the capitalization of the New York City Acquisition Fund LLC. A partnership between Enterprise Community Partners, the Local Initiatives Support Corporation, the City of New York, major commercial lending institutions, and leading foundations, the New York City Acquisition Fund offers flexible bridge loans to developers committed to the creation of new or preservation of existing affordable and/or supportive rental housing in New York City. LISC NYC, Enterprise, and other leading non-profit partners also played a critical role in helping to design the new Neighborhood Pillars initiative.

“Protecting vulnerable tenants from unscrupulous speculators is extremely important, not only to preserve our city’s precious affordable housing stock but also to maintain the stability of our communities,” said **Assemblyman Steven Cymbrowitz, Chair of the Assembly’s Housing Committee**. “This program will help achieve the goal of providing affordable housing for low-income New Yorkers who need it the most.”

“I applaud the de Blasio Administration’s new Neighborhood Pillars Program, which will help the City preserve affordable housing and keep low-income New Yorkers in their homes,” said **Council Member Brad Lander**. “Our city faces a growing housing affordability crisis that is exacerbated by the inability of non-profits and mission-driven organizations to compete in the housing acquisition market. The Neighborhood Pillars Program will help to change this dynamic, and I thank Mayor de Blasio, HPD Commissioner Maria Torres-Springer, HDC President Eric Enderlin, the Community Preservation Corporation, Wells Fargo Foundation, and Neighborhood Restore HDfC for their vision and investment.”

“As New York City faces a severe housing crisis, it is imperative that we do all we can to preserve the long-term affordability of rent stabilized units,” said **Council Member Antonio Reynoso**. “In my district and across the City, community based, mission-driven nonprofits are a critical partner in meeting this goal. The Neighborhood Pillars Program will provide the resources needed for our local nonprofits to acquire buildings, ensuring these assets are in the hands of organizations that will maintain the affordability and quality of the existing housing stock for our most vulnerable residents. I applaud the de Blasio administration, The Department

of Housing Preservation and Development, and The New York City Housing Development Corporation for the creation of this necessary and innovative program.”

“The Neighborhood Pillars Program is another arrow in the City’s quiver for preserving and expanding housing affordability. Throughout my time in the Council, I have worked with nonprofit developers to build more affordable housing, because they often know the needs of the community more intimately. I am thrilled that through this program, they will get the tools they need from the City to continue their good work. I thank Mayor de Blasio and HPD for this innovative new program,” said **Council Member Rafael Espinal**.

“Our local nonprofits know the needs and wants of our communities better than anyone but the lack of access to capital is constant hurdle in their work, which is why the Neighborhood Pillars program is so important to preserving and improving our affordable housing stock across the City,” said **Council Member Donovan Richards**. “We must provide the tools to help local affordable housing organizations compete with big banks and speculators looking to benefit off of opportunities despite the community and their residents. I’d like to thank HPD Commissioner Torres-Springer and HDC President Enderlin for their commitment to supplying local organizations with the tools for success and stability.”

“This partnership between the City, Wells Fargo Foundation, and the Community Preservation Corporation will help preserve thousands of affordable homes for New Yorkers. We thank these partners for joining us in the fight to create a more equitable and affordable city,” said **Darren Bloch, Senior Advisor to the Mayor and Director of the Office of Strategic Partnerships**.

“We are thrilled about the launch of the Neighborhood Pillars program,” said **Sam Marks, Executive Director of LISC NYC**. “The program represents an acknowledgment by the City that nonprofits have a critical role to play in stewarding affordable housing assets for the long term, particularly in this time of rising rents and speculation. We appreciate the City’s leadership in providing a tailored program and accompanying resources to enable nonprofits to compete in the market and bring more buildings into mission stewardship, and we stand ready to work with our nonprofit partners to accomplish the ambitious goals of this program.”

“The Neighborhood Pillars program will provide comprehensive resources and technical assistance to mission-driven affordable housing organizations to combat the growing threat of displacement and ensure that more New Yorkers can stay in their homes. Enterprise was proud to help design the program and we congratulate HPD on its launch,” said **Judi Kende, Vice President and New York market leader, Enterprise Community Partners**. “Preserving existing regulated and unregulated housing is critical as we work to increase the supply of decent, safe, affordable housing in the city. We look forward to working alongside our many partners, including LISC, the City of New York, lending institutions, and philanthropic organizations, to provide flexible capital for property acquisitions through the New York City Acquisition Fund.”

“This program is groundbreaking. With Neighborhood Pillars, the City is recognizing that much of our naturally-occurring affordable housing is at risk because of real estate speculation. This ambitious new program will permanently take building with at-risk affordable units out of the

speculative maelstrom, securing affordable apartments for the New Yorkers that need them. No other city has taken-on the problem of private-market speculation this directly, and found such a potentially significant solution. Local mission-driven not-for-profit developers will play a key role, and we applaud Mayor de Blasio and Commissioner Torres-Springer for their commitment,” said **Benjamin Dulchin, Executive Director of ANHD**.

Both HPD and HDC have released new term sheets for the [Neighborhood Pillars program](#) to provide long-term financing to cover the costs of acquiring and rehabilitating unregulated or rent-stabilized housing for low- to moderate-income households. HPD’s program will provide low-interest loans of up to \$110,000 to \$180,000 per residential unit, depending on the affordability of the property, as well as full or partial property tax exemption. Higher per unit subsidy requests will be considered on a case by case basis for projects that are located in high cost neighborhoods, however the City will impose additional restrictions, such as increasing the number of permanently affordable units. To qualify for the program, buyers must commit to permanent affordability – with no less than 30 percent of the units to be permanently affordable—and must set aside at least 20 percent of the total units for formerly homeless households. HDC has also committed \$100 million to facilitate the long-term permanent financing of these developments under its new term sheet.

Pre-qualified nonprofits, mission-based organizations, and certified Minority- and Women-Owned Business Enterprises (M/WBEs) were identified for the program through a [Request for Qualifications \(RFQ\) issued last spring](#). Potential buyers can continue to apply on a rolling basis.

In addition to launching the Neighborhood Pillars Program, HPD also worked closely with the City Council to pass a new [Predatory Equity bill](#) in early 2018, and in October published the “[Speculation Watch List](#),” that identifies recently sold, rent-regulated buildings where tenants may be at risk of displacement due to potentially predatory investors. HDC also recently released a Request for Proposals with HPD and Enterprise to identify community-based organizations to develop and coordinate anti-displacement strategies with local stakeholders, tenants, and government partners for the City’s new [Partners in Preservation Program](#), designed to fight displacement in select New York City neighborhoods.

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