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**MAYOR MICHAEL R. BLOOMBERG AND NEW YORK CITY COMPTROLLER
WILLIAM C. THOMPSON, JR. ANNOUNCE PROPOSAL FOR
\$130 MILLION HOUSING TRUST FUND**

*Fund Would be Created from Battery Park City Authority Revenues and Create or Preserve 4,500
Affordable Units for More than 11,000 New Yorkers*

Mayor Michael R. Bloomberg and New York City Comptroller William C. Thompson, Jr. today proposed the creation of the New York City Housing Trust Fund, which would be funded by \$130 million in Battery Park City Authority revenues. This Fund would be used to create or preserve 4,500 affordable housing units for more than 11,000 New Yorkers over the next four years. Joining the Mayor and Comptroller at the announcement were Housing Preservation and Development (HPD) Commissioner Shaun Donovan and affordable housing advocates.

“Twenty years ago, Battery Park City Authority revenues were pledged to create housing for New Yorkers of all income levels,” said Mayor Bloomberg. “Affordable housing is one of New York’s most pressing needs and today’s proposal will help build more than 4,000 units of housing for deserving New Yorkers. The Housing Trust Fund we’re proposing will expand upon the goals of my New Market Housing Marketplace Plan and most importantly, these resources will allow us to create and preserve even more affordable housing for our neediest communities. I want to thank the Comptroller Thompson for his hard work and leadership on this important issue.”

“Through the New York City Housing Trust Fund, thousands of hardworking New Yorkers and their families will be able to live in our City without having to choose between paying the rent and buying food,” Comptroller Thompson said. “This fund has the potential to deliver more than 4,000 units of affordable housing to the marketplace in very short order, and it finally makes good on the promise to use Battery Park City revenues to create housing for all New Yorkers.”

The Fund would provide a flexible funding source that can be used to innovatively address New York City’s affordable housing challenges in three ways:

- It would provide subsidies to target income ranges that are currently the most difficult to reach: households earning below 30% of area median income, and households earning between 60% and 80% of area median income. These subsidies could be used in conjunction with a variety of programs such as 9% Low Income Housing Tax Credits to enhance HPD’s Mixed Income Rental Program and with the Housing Development Corporation’s New HOP and LAMP programs. These subsidies would increase the City’s ability to house homeless and other at-risk households, contributing to the Mayor’s goal of ending chronic homelessness in five years.

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- It would preserve existing affordable units by funding large-scale acquisition and renovation of loans or properties. With a range of properties currently at risk of converting to market rate or needing repairs to in decent condition, the Trust Fund would allow a more comprehensive and aggressive approach to preserving these properties. For example, by purchasing and restructuring loans on units developed through the Low Income Housing Tax Credit Program, this housing could be preserved for another generation. Similarly, properties or loans currently held by HUD could be acquired in bulk at discounted prices, allowing the housing to be rehabilitated and resold as affordable housing.
- It would fund land acquisition and predevelopment costs for affordable housing. Given rising prices and a shortage of City-owned sites, the Trust Fund would create a “land banking” capacity to find, acquire, hold and prepare land which can later be developed for affordable housing. Potential sources include State and Federal land that is underutilized and could be acquired for affordable housing development at deeply discounted prices, or other institutional partners such as churches, hospitals or universities that may be looking to develop underutilized land in their portfolios.

The proposed creation of this \$130 million Trust Fund would provide an opportunity for the City and its partners to expand both the range and impact of the New Marketplace Housing Plan, which was announced by Mayor Bloomberg in December 2002, and provided \$3 billion to fund the creation or preservation of 65,000 affordable housing units over five years. The Trust Fund would contribute to the creation or preservation of 4,500 affordable units, 3,000 of which would be incremental to the New Housing Marketplace commitment, raising the overall goal of the Plan to 68,000 affordable units by 2008.

Mayor Bloomberg and Comptroller Thompson proposed that all funds that flow into the Battery Park City Authority’s Joint Purpose Fund be directed into the Trust Fund. These funds are expected to total at least \$130 million through 2008. In order to secure these funds, the Mayor, City Comptroller, and the Battery Park City Authority must agree on their use. The Trust Fund also establishes a mechanism that could be used by future Administrations to continue investing Battery Park City funds in affordable housing.

“The proposed Housing Trust Fund will provide the City with the ability to continue to meet New York City’s housing challenges in innovative ways,” said Commissioner Donovan. “The flexibility of the Fund provides us with an opportunity to meet emerging needs in the City’s poorest communities.”

“Doubled up families, those living in shelters, and those scrambling to meet monthly rent applaud Mayor Bloomberg and Comptroller Thompson for righting this wrong,” said Bertha Lewis, Executive Director of ACORN. “Now we look to Governor Pataki to finalize this commitment to keeping the Battery Park City promise for housing for low-income people.”

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