

New York City Establishes Affordable Housing Fund with \$2 Million Grant from Wells Fargo Foundation

Down Payment Assistance Fund is part of City's Neighborhood Pillars Program, dedicated to affordable housing preservation

December 20, 2018 12:00 PM Eastern Standard Time

NEW YORK--([BUSINESS WIRE](#))--The New York City Department of Housing Preservation and Development (HPD) and New York City Housing Development Corporation (HDC) announced today the City's Neighborhood Pillars Program with a \$2 million commitment from the Wells Fargo Foundation. As part of Housing New York 2.0, the mayor's plan to finance 300,000 affordable homes by 2026, the [Neighborhood Pillars Program](#) will help finance acquisition and rehabilitation of existing rent-stabilized and unregulated buildings to preserve affordability in neighborhoods across the city.

"Through our new Neighborhood Pillars Program, we're giving community-based organizations the tools they need to compete in a fast-changing market," said HPD Commissioner Maria Torres-Springer. "Now, pre-qualified non-profits will have greater access to the capital and technical assistance they need to purchase, and finance, quality affordable housing for generations to come."

With the Wells Fargo Foundation's commitment, and \$2 million from the Community Preservation Corporation (CPC), the city has established the Neighborhood Pillars Down Payment Assistance Fund, a first of its kind fund, that will require at least 30 percent of homes be permanently affordable and at least 20 percent of homes be set aside for formerly homeless households.

Low-cost housing affordability in NYC has declined 12 percent since 2014

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.

"The Wells Fargo Foundation is focused on making housing more affordable, achievable, and sustainable as we work to build stronger communities," said Martin Sundquist, executive director of the Wells Fargo Foundation housing philanthropy. "In many neighborhoods access to credit, and to safe, sustainable and affordable housing continue to be critical needs. This collaboration will help revitalize communities throughout New York City and is an example of the positive impact that can be achieved with thoughtful public-private collaboration."

Program will fund acquisition and preservation of nearly 7,500 homes

The Neighborhood Pillars Down Payment Assistance Fund will be administered by Restored Homes Development LLC, an affiliate of Neighborhood Restore HDFC. Restored Homes will offer assistance to nonprofits in sourcing, underwriting, and negotiating potential acquisitions.

Pre-qualified nonprofits, mission-based organizations, and certified Minority- and Women-Owned Business Enterprises were identified for the program [last spring](#). Potential buyers can apply on a rolling basis. The program will fund the acquisition and preservation of nearly 7,500 homes over the next eight years.

“Our efforts to secure more affordable housing are key to our work in removing barriers and increasing the number of minority and low- to moderate-income homeowners in New York,” said Fred Bertoldo, Wells Fargo New York region bank president. “We are thrilled to support Mayor de Blasio’s housing plan through Neighborhood Pillars and look forward to the progressions that will be made in affordable housing as a result of this effort.”

About the New York City Department of Housing Preservation and Development (HPD)

As the nation’s largest municipal housing preservation and development agency, [HPD’s](#) mission is to promote quality housing and diverse, thriving neighborhoods for New Yorkers through loan and development programs for new affordable housing, preservation of the affordability of the existing housing stock, enforcement of housing quality standards, and educational programs for tenants and building owners. HPD is tasked with fulfilling Mayor de Blasio’s Housing New York Plan which was recently expanded and accelerated through [Housing New York 2.0](#) to complete the initial goal of 200,000 homes two years ahead of schedule—by 2022, and achieve an additional 100,000 homes over the following four years, for a total of 300,000 homes by 2026. For regular updates on HPD news and services, follow [@NYCHousing](#) on Facebook, Twitter, and Instagram.

About the Wells Fargo Foundation

In 2017, the [Wells Fargo Foundation](#) donated \$22.7 million in support of affordable housing initiatives serving low- and moderate-income households – including for seniors, veterans and families – through community revitalization efforts. Since its inception 25 years ago, the Wells Fargo Foundation has invested more than \$212.7 million in such efforts, along with mobilizing more than 4.75 million team member volunteer hours to build and rehabilitate nearly 7,600 homes and counting. Wells Fargo & Company was ranked No. 26 on Fortune’s 2018 rankings of America’s largest corporations. News, insights and perspectives from Wells Fargo are also available at [Wells Fargo Stories](#).

Contacts

Kevin Friedlander, 908-907-1317
Kevin.Friedlander@wellsfargo.com
[@KSFriedlanderWF](#)
Stephanie Grant, 760-317-6505
Stephanie.grant2@wellsfargo.com
[@SGrantWF](#)