



For Immediate Release

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Citi, L+M Development Partners Announce \$150 Million New York Affordable Housing Preservation Fund II

New York, NY – June 4, 2013 – Citi and L+M Development Partners (L+M) have launched a second New York Affordable Housing Preservation Fund. NYAH II, a \$150 million real estate private equity venture, is designed to be an entrepreneurial solution to stem the loss of affordable housing particularly in low- and moderate-income neighborhoods in New York City.

NYAH II follows and builds on the impact of its predecessor, NYAH I, a \$100 million investment vehicle that Citi and L+M launched in 2010 and which is now fully invested and committed across a diverse range of affordable multifamily investments in the New York City metro area totaling over 4,700 apartments with a capitalization of \$400 million.

“NYAH I was an important and innovative step towards combating the negative effects of the predatory private equity activity seen in the early 2000s,” said **Andrew Ditton, co-head of Citi Community Capital**. “Citi Community Capital has maintained a long-standing commitment to investing in underserved communities. With NYAH II, we are proud to expand our partnership with L+M and to continue to be part of a solution for NYC’s affordable housing needs.”

NYAH II will continue NYAH I’s focus on applying critical equity capital towards properties that are at immediate or longer term risk of becoming unaffordable to low- and moderate-income households and which may be in physical or financial distress. By investing with a wide range of responsible operating partners and working with NYC’s Department of Housing Preservation (HPD) and Housing Development Corporation (HDC), NYAH II will provide innovative and economically sustainable solutions to New York’s affordable housing needs and is positioned to acquire up to \$600 million in multifamily investments over the next several years.

“The creation of a second NYAH fund is an exciting development for the future of real estate private equity platforms and the affordable housing industry,” said **Ron Moelis, CEO of L+M Development Partners**. “The Fund’s entrepreneurial investment expertise and encouragement of public-private partnership creatively address our city’s critical affordable housing needs in a way that is economically sustainable. The success of NYAH I highlights the viability of these types of transactions and the value of this approach. We are excited to continue making strides in this direction with NYAH II.”

The NYAH Preservation Fund makes strategic equity investments with local operating partners who have a track record of responsible ownership. The Fund ensures that these owners/managers can better compete in the marketplace by providing timely capital, affordable housing expertise, regulatory guidance, and access to debt financing to its partners.

The NYAH funds support the preservation of the City's existing affordable housing stock and the protection of the tenants, which is a critical component of Mayor Michael R. Bloomberg's New Housing Marketplace Plan (NHMP). Launched in 2003, the NHMP is 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 plan has funded the creation or preservation of more than 147,890 units of affordable housing across the five boroughs.

"We are truly grateful to have partners like the NYAH Fund who are committed to achieving the same goals we are," said **HPD Commissioner Mathew M. Wambua**. "Financing the preservation of properties throughout the City will extend affordability and help New Yorkers keep their homes. Thank you to the NYAH Fund, HDC, Citi and all of our partners for contributing funds and remaining committed to keeping New York City affordable."

"Affordable housing preservation is a core goal of the Mayor's New Housing Marketplace Program. It has been proven that we can accomplish more when government and the private sector work together," said **Marc Jahr, President of HDC**. "HDC has financed the preservation of more than 46,307 units in New York City. We look forward to continuing our efforts and would not be able to do so without partners like NYAH, Citi and HPD."

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About Citi Community Capital

Citi Community Capital (CCC) is a premier financial partner with nationally recognized expertise in financing all types of affordable housing and community reinvestment projects. CCC's origination, structuring, asset and risk management staff across the country provides creative financing solutions designed to meet their clients' needs. CCC helps community development financial institutions, real estate developers, national intermediaries and nonprofit organizations achieve their goals through a broad, integrated platform of debt and equity offerings.

Citi, the leading global financial services company, has approximately 200 million customer accounts and does business in more than 140 countries. Through Citicorp and Citi Holdings, Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management. Additional information may be found at www.citigroup.com or www.citi.com.

About L+M Development Partners

Since 1984, L+M Development Partners has been an innovator in developing quality affordable, mixed-income and market rate housing, while improving the neighborhoods in which it works. A full-service firm, L+M works from conception to completion, handling development, investment, construction and management with creativity that leads the industry. L+M is responsible for more than \$2.5 billion in development, investment and construction and has created more than 15,000 high-quality units in the tri-

state area alone. The firm is also expanding its geographic footprint to the Gulf region and West coast. Community leaders, government officials and investment organizations turn to L+M because of its consistent track record of excellence.

L+M is a double bottom line company, where its success is measured not only in financial returns but also by the positive impact it makes. L+M takes pride in its long-standing dedication to the communities it serves, demonstrated through an annual scholarship fund, job training programs and substantial support for local nonprofits. L+M brings a superior level of commitment to its investments in developments, and equally important, to its investment in people. Additional information can be found at www.lmdevpartners.com.

About Mayor Michael R. Bloomberg's New Housing Marketplace Plan:

New York City's affordable housing program to build or preserve 165,000 units of housing — enough to house half a million New Yorkers—is the most ambitious and productive in the nation—creating housing as well as jobs for New Yorkers. To date, HPD and HDC has financed more than 147,890 affordable units.

Led by HPD Commissioner Mathew M. Wambua, the Plan has been recast to maintain momentum while confronting head on the economic challenges facing the City, the State, the housing industry, the financial sector and individual New Yorkers and their families. In order to fulfill the NHMP goal of 165,000 units, HPD and HDC are responding to market realities and focusing on three primary goals: strengthening neighborhoods, expanding the supply of affordable and sustainable housing and stabilizing families by keeping them in their homes.

About the NYC Department of Housing Preservation and Development (HPD):

HPD is the nation's largest municipal housing preservation and development agency. Its mission is to promote quality housing and viable neighborhoods for New Yorkers through education, outreach, loan and development programs and enforcement of housing quality standards. It is responsible for implementing Mayor Bloomberg's New Housing Marketplace Plan to finance the construction or preservation of 165,000 units of affordable housing by 2014. Since the plan's inception, more than 147,890 affordable homes have been created or preserved. For more information, visit www.nyc.gov/hpd.

About NYC Housing Development Corporation (HDC):

Since 2000, HDC has issued roughly 10% of all the multi-family housing revenue bonds in the U.S. and since 2003, when Mayor Bloomberg's New Housing Marketplace Plan was launched, HDC has raised more than \$6.7 billion in financing for affordable housing developments, including in excess of \$1 billion in subsidy from corporate reserves. To date, under the Mayor's plan, HDC has financed the creation or preservation of more than 70,628 of the total 147,890 affordable units in multifamily buildings financed to date. HDC also financed the creation 1.7 million square feet of commercial space. For additional information, visit: www.nychdc.com.