



PRESS RELEASE

For Immediate Release

Next Generation of Affordable Housing JOE-NYC at Habitat III

Quito, Ecuador - Brooklyn, NY - October 17, 2016 - JOE-NYC presents at United Nations Habitat III on Wednesday, October 19th at 4 p.m. in the Urban Future section of this global event, which is convened once every 10 years. Marc Jahr an accomplished affordable housing leader and one of the **JOE-NYC** visionaries will present the innovative model.

Community based, not-for-profit housing development organizations in New York City have joined together to meet new challenges faced by local nonprofits who build and manage affordable housing in dense urban neighborhoods.

Nine and soon to be twelve community based developers have created a city-wide entity that consolidates not-for-profit community owned properties in a single ownership structure called **JOE-NYC** or **Joint Ownership Entity**. The community development organizations are in the process of transferring their properties into **JOE-NYC**. Nonprofit members receive a seat on the board and a proportional share of net cash flow earned by properties owned by JOE. JOE-NYC owns the assets on behalf of communities; achieving operational economies of scale, executing re-financings and recapitalizations, and leveraging members' capital to undertake new development projects and creating another vehicle that will assure long-term affordability for the low- and moderate-income residents living in these buildings while allowing for local control and management.

Community housing developers played a central role in rebuilding tens of thousands of vacant abandoned properties after the NYC financial collapse in the 1970s. These committed and determined grassroots organizations became sophisticated builders, owners and managers of affordable housing, while tending to their catalytic role as Civic Anchors providing: employment, education, family, youth and senior services.

However, in the past few years, skyrocketing land costs, government preference for high capacity organizations and disincentives to nonprofit efficiency have reduced the role of community based developers in a move toward private sector, large-scale transactions and the marginalizing of the not-for-profit development community. JOE-NYC provides an innovative approach that leverages financial strength and improves efficiency while neighborhood organizations retain oversight and management of community assets.

According to Michael Rochford, one of the founders of JOE-NYC and Executive Director of St. Nicks Alliance, a Brooklyn-based local organization, "JOE-NYC provides a mechanism to



aggregate the collective financial strength of many portfolios across the region and enables us together to improve efficiency, while building on a larger scale with greater impact.”

Government will benefit from the JOE-NYC model through long-term sustainability of vulnerable assets, an alternative disposition option for troubled portfolios and alleviating burdens and liabilities on the public sector. Strategic use of project reserves across the portfolio will leverage private capital and ultimately save public dollars. For government, JOE-NYC strengthens the ability of local organizations to address poverty and inequality in their role as Civic Anchors. The NYC Department of Housing Preservation and Development, NYS Homes and Community Renewal, and US Department of Housing and Urban Development have embraced this new approach, and the effort has been championed by the Local Initiatives Support Corporation, Enterprise Community Partners and the Richman Group, a for-profit equity company.

“JOE-NYC provides an innovative vehicle to support government priorities while empowering locally based not-for-profit housing providers to both provide safe and affordable housing, and increase services for low- and moderate-income residents.” said Peter Madden, Executive Director of JOE-NYC.

Gary Hattem, Director of Philanthropy of Deutsche Bank, a major investor in JOE-NYC, said, “Our bank believes economically efficient and sophisticated local organizations are one of the best vehicles to sustain urban affordability for all people while expanding the supply of affordable housing as cities grow.”

JOE-NYC is partnered with the UN-chartered Huairou Commission, which mobilizes community women to address issues of affordable housing and urban development in their own communities similar to the community based affordable housing movement. Jan Peterson of the Huairou Commission will be joined by a panel of affordable housing experts.

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