

"CDFI Fund Seeks Public Comment on CDFI Bond Guarantee"

Response from the Housing Partnership Development Corporation

August 15, 2011

The Housing Partnership Development Corporation (HPDC) serves as New York City's primary intermediary for the development of affordable workforce housing. For nearly 30 years, the Housing Partnership has been the facilitator of dynamic partnerships between the City, State, and private sectors to build affordable homes which stimulate economic growth and revitalize neighborhoods throughout New York City's five boroughs. Our goal is to produce 1,200 units of housing each year through a variety of new construction and other housing programs. In our 29-year history, the Housing Partnership has participated in the development of more than 30,000 affordable home ownership and rental units throughout the five boroughs and leveraged more than \$2.8 billion in private sector financing. We have an additional 4,000 units in construction or predevelopment.

HPDC supports the CDFI Bond Guarantee Program for several reasons. CDFI federally guaranteed bonds will make it possible for not-for-profit organizations, such as HPDC, to expand the practice of our mission through the issuance of 501c3 bonds to fund affordable housing development projects. Qualified 501c3 bonds may be used to finance the acquisition, construction, improvement, expansion or rehabilitation of real estate property.

HPDC is one of the few organizations that have been vetted for the issuance of these bonds. However, a lack of guarantee has been a persistent obstacle in their use. The CDFI Bond Guarantee Program addresses this issue and expands the capacity of lending by not-for-profits, while providing them with an additional source of revenue, and alleviating local government's responsibility of administering bonds.