



NEWS RELEASE

For Immediate Release

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A NEW GENERATION OF FUNDING FOR AFFORDABLE HOUSING: *A CITY LED COLLABORATIVE LAUNCHES \$100 MILLION DEVELOPMENT TOOL*

(LOS ANGELES, July 21, 2008) – Los Angeles Mayor Antonio Villaraigosa and Doris Koo, president and CEO of Enterprise Community Partners, today announced the first multimillion dollar financing tool for the creation and preservation of affordable housing in Los Angeles. The *New Generation Fund* is a \$100 million predevelopment and acquisition fund created through a partnership of the City of Los Angeles and a consortium of banks, financial institutions, foundations and community development financial institutions (CDFIs). The Fund is designed to combat homelessness and reduce the housing burden on poor and working families by offering affordable housing developers early-stage financing for properties intended for low- and moderate- income residents. Joined at the event by former Senator John Edwards, chair of the Half in Ten: From Poverty to Prosperity campaign, Enterprise and the Mayor unveiled the Fund as a public-private partnership intended to address the critical need for affordable housing in the City.

“Housing is a cornerstone of prosperity in our nation and Los Angeles is committed to creating an affordable housing supply that meets the needs of our community,” said Mayor Villaraigosa. “The \$100 million New Generation Fund will go a long way towards helping us realize this ambitious goal. I am proud that the City stepped forward with its initial commitment of \$10 million to leverage private capital in the creation of this creative financing tool.”

Citi, Wachovia, Enterprise Community Loan Fund, Merrill Lynch, MetLife and HSBC have contributed a combined total of \$100 million to the Fund, which is expected to grow up to \$150 million by next summer. Credit enhancements totaling nearly \$14 million are being provided by the City of Los Angeles, the Ahmanson Foundation, California Community Foundation and Weingart Foundation. Enterprise Community Investment, Inc. is the Fund’s Owner. New York-based Forsyth Advisors manages the daily administration of the fund with the California Community Reinvestment Corporation providing local support for vested parties.

“Having invested resources and built local development capacity in Los Angeles for more than ten years, Enterprise understands the unique housing needs of the Southland—homes that are affordable, environmentally sustainable and accessible to places of

employment. We are excited to partner with the City of Los Angeles and other funders to tackle the local shortage of affordable housing,” said Koo. “The opportunities made available through this Fund significantly expand the housing resources available in Los Angeles today, and we look forward to the healthy utilization and growth of this program.”

The City of Los Angeles has a goal to preserve and build approximately 4,000 units of affordable housing a year until 2014. With average development costs almost doubling over the past three years -- from \$190,000 per unit in 2003 to \$361,000 in 2007 -- creating and maintaining affordable homes has been challenging for both non-profit and for-profit developers alike. The New Generation Fund offers early stage capital with flexible underwriting and expedited processing. Developers will be able to borrow up to \$10 million per project, at 130 percent loan-to-value (LTV) for non-profit organizations and 95 percent LTV for for-profit developers.

“As a good corporate citizen, Citi continuously works to invest in the neighborhoods we serve,” said Alice Carr, managing director, Citi - the lead bank in the Fund. “The New Generation Fund exemplifies our commitment to collaborating with the City of Los Angeles and other partners to create healthy, viable communities.”

In order to apply for a loan, potential borrowers approach one of five underwriting lenders: Enterprise Community Loan Fund, Low Income Investment Fund, Local Initiatives Support Corporation, Century Housing, or Corporation for Supportive Housing. Each organization is dedicated to community development and focuses on one or more of the program areas covered by the Fund: preservation, affordable homeownership, mixed-income, low-income rental housing, and supportive housing.

"Wachovia has been a committed partner in the New Generation Fund from the very beginning because we know that this is a critical initiative for the City of Los Angeles," said Frank Newman, Wachovia's President for Southern California. "We believe in the vision—a monumental collaboration between public and private sectors to increase the quantity and quality of affordable housing. We believe in it because we know that affordable housing is a crucial component of building stronger neighborhoods—and we want to make every Wachovia community stronger."

“The California Community Foundation believes in innovative solutions that combine philanthropy with civic engagement,” said Antonia Hernandez, president and CEO of the California Community Foundation. “The New Generation Fund provides the City of Los Angeles with an effective tool in fostering the development of affordable housing. We are excited to work with this Fund and to see the strong impact it will have on the communities and neighborhoods of this city.”

To promote the creation of healthy and energy-efficient homes for low income residents in Los Angeles, Enterprise will also provide borrowers of the New Generation Fund access to green development consulting at no additional cost. A green building consultant

will explore sustainable design and construction options that can help bring the project in line with Enterprise's Green Communities Criteria, the only national green, affordable housing standard in the country. For more information on Green Communities, visit www.greencommunitiesonline.org.

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Enterprise is a leading provider of the development capital and expertise it takes to create decent, affordable homes and rebuild communities. For more than 25 years, Enterprise has pioneered neighborhood solutions through public-private partnerships with financial institutions, governments, community organizations and others that share our vision. Enterprise has raised and invested more than \$9 billion in equity, grants and loans to help build or preserve more than 240,000 affordable rental and for-sale homes to create vital communities. Enterprise is currently investing in communities at a rate of \$1 billion a year. Visit www.enterprisecommunity.org and www.enterprisecommunity.com to learn more about Enterprise's efforts to build communities and opportunity.