

**Ash Institute Summer Fellowship in Innovation  
Project Description | 2009**

**Acquisition Fund**

**New York City Department of Housing Preservation and Development (New York, NY)  
2008 IAG Winner**

**Organization:**

The New York City Department of Housing Preservation and Development (HPD) is the largest municipal developer of affordable housing in the nation. Since 1987, HPD has provided over \$6.3 billion to support the repair, rehabilitation, and new construction of hundreds of thousands of units of housing. The New York City Acquisition Fund is a unique \$200 million public-private partnership developed by HPD that provides early stage capital for the acquisition of privately owned land and buildings to create or preserve affordable housing. Using structured finance and risk-sharing techniques from the private capital markets, the Fund changes the rules of the game, allowing affordable housing developers to compete in New York's real estate market. The effect for New Yorkers is the creation or preservation of 30,000 units of affordable housing with a very small one-time public investment. Importantly, the Fund is designed to become self-sustaining in 5 to 7 years, at which time that investment can be put to other uses on behalf of New Yorkers. To date, the Fund has financed 18 projects with a total of 1,730 units: 1,701 new rental units, including 503 units of supportive housing, and the preservation of 329 units. Since the initial start-up and development in 2006, there has been a substantial increase in interest in the Fund, and we expect the pipeline to continue to grow rapidly. As of this writing, the Fund's manager reports over \$70 million of new projects in the pipeline, representing more than 1,200 units of affordable housing.

**Project Description and Fellow Duties:**

This Fellow would work on the NYC Acquisition Fund, and report to the Assistant Commissioner for New Construction Finance at HPD's headquarters at 100 Gold Street, near City Hall in lower Manhattan, and would work as well with the Fund's manager, Forsyth Street Advisors, at their Soho offices. The Fellow would have the opportunity to work on the implementation of the Acquisition Fund, as well as assisting in the development of special projects and replications of the Fund's model to address new needs and new markets. Projects to be undertaken could include the following:

- Work with HPD's Division of New Construction Finance on developing and assisting with the implementation of new products for expanding the Fund including a pre-development loan model for non-profits, and a cost-cap insurance policy for urban brownfield sites.
- Work with the Acquisition Fund Manager team to understand the structure and process of AF deals including working with community development financial institutions (CDFIs), banks, participating on credit committee calls, and being involved in policy discussions related to the Fund.
- Work on an outreach program to promote use of the Acquisition Fund to small for-profit developers who are currently not accessing the Fund.
- Work on special projects related to the Fund's replication in Los Angeles and other cities.

In addition, the Summer Fellow would be plugged into site visits and outings arranged for all HPD and New York City Summer Interns, including a barbecue at Gracie Mansion, the official residence of the Mayor of the City of New York, and lectures at City Hall by senior City officials.

For more information on HPD, please go to [www.nyc.gov/hpd](http://www.nyc.gov/hpd)

For more information on the New York City Acquisition Fund, please go to [www.nycacquisitionfund.com](http://www.nycacquisitionfund.com)

For more information on Forsyth Street Advisors, please go to [www.forsythstreet.com](http://www.forsythstreet.com)