

For Immediate Release

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**TRANSFORMING A VACANT BLOCK TO A \$34.5 MILLION ECONOMIC ENGINE:
HABITAT FOR HUMANITY – NEW YORK CITY & HR&A ADVISORS CALCULATE
THE BENEFITS OF LARGEST-EVER HABITAT PROJECT**

Brooklyn, NY (July 15, 2008) -- A long-dormant block on Atlantic Avenue and Eastern Parkway in Ocean Hill-Brownsville, Brooklyn, will generate almost \$34.5 million in economic stimulus, thanks to the affordable condominiums that Habitat for Humanity – New York City is building on the site. It is the largest multifamily building ever constructed by Habitat for Humanity worldwide.

Every dollar invested by Habitat-NYC in the Atlantic Avenue complex will generate approximately \$3 in economic activity to the City of New York, HR&A Advisors, Inc. reported in a July 2008 economic and fiscal impact study.

Josh Lockwood, Executive Director of Habitat-NYC, said: “We know that investing in affordable housing provides hardworking, low-income families with desperately needed homes. But we also know that the combined efforts of Habitat-NYC homebuyers, volunteers and staff are having an impact far beyond the walls of our project. HR&A has undertaken a rigorous analysis to define exactly what that impact is. Their analysis underscores that affordable housing development spurs economic development.”

“Construction of affordable housing doesn’t just provide low-cost homes for the families moving in to new apartments, it also brings jobs and business to neighborhoods and a boost to our city’s economy,” said **Shaun Donovan, Commissioner of the New York City Department of Housing Preservation and Development**. “In May, I was proud to join a team of HPD employees to pick up tools and help build the Atlantic Avenue condominiums. These homes are part of Mayor Bloomberg’s 165,000-unit affordable housing plan and will help foster a city that is economically prosperous and diverse.”

HR&A, a highly respected real estate and economic development consulting firm, examined the Habitat-NYC’s Ocean Hill-Brownsville project, which comprises 41 units of affordable condos. This *pro bono* study is based on the project’s initial construction costs, estimated at \$12.1 million (capital costs have since climbed to more than \$13 million).

Key findings reveal that this project will:

- Generate about \$34.5 million in economic activity over the next 40 years
- Generate approximately \$3 for every dollar invested in the \$12.1 million project, more than a 300 percent return on project investment by Habitat-NYC and its supporters;

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- Support 111 jobs and create \$20.45 million in economic activity during the two-year construction phase alone;
- Funnel \$2 million of that \$20.45 million directly to businesses in Ocean Hill-Brownsville, strengthening the economy of one of the city's lowest-income neighborhoods;

Over the next four decades, this project and its new 41 Habitat-NYC homeowner families will:

- Spend \$13.9 million in New York City;
- Contribute more than \$4.4 million in tax revenues to the city.

Financing for this project includes: \$7.3 million construction loan from Citibank; \$1.64 million from the New York State Affordable Housing Corporation; \$1.845 million from the New York City Affordable Housing Trust Fund; \$400,000 from the Brooklyn Borough President's Office; \$820,000 from the Independence Community Foundation; and \$5.1 million in sales revenues. The remainder is being raised through corporate, foundation and individual gifts and some sponsorships by United Technologies, Citigroup, Credit Suisse, Delta Airlines, Goldman Sachs, Hilb Rogal and Hobbs, among other corporations. New York City's Department of Housing Development and Preservation sold the land to Habitat-NYC for \$13.

Eric Rothman, President of HR&A, said: "What made this economic and fiscal impact analysis so compelling was valuing the combined contributions of Habitat-NYC and the thousands of volunteers who are building the Atlantic Avenue project. HR&A combined sophisticated economic models with dozens of on-the-ground interviews with construction staff and volunteers to accurately capture the full impact of Habitat-NYC's innovative work." HR&A also put its analysis into action when the firm participated in a build day at the Atlantic Avenue site in March.

Habitat-NYC's Atlantic Avenue complex is not only the largest multifamily project ever built by a Habitat affiliate, it will also meet stringent LEED green-building standards, providing homes that are healthy, sustainable and energy-efficient.

Brooklyn Borough President Marty Markowitz said: "Not only has Habitat-NYC helped deserving Brooklyn families reach the 'American Dream' of home ownership in Ocean Hill-Brownsville, but these affordable condominiums will have an added benefit of pumping millions of dollars of revenue into the local economy. Brooklyn never does anything small—so it's only fitting that the largest multi-family building ever constructed by Habitat for Humanity worldwide will be in Central Brooklyn. I am proud to support this project, and thank all the selfless volunteers with Habitat-NYC for their 'sweat equity'—building energy-efficient, 'green' homes to ensure a future that's not only affordable—but sustainable."

Under the Habitat-NYC model, future homeowners must be first-time homebuyers and meet these criteria: earning between 45% to 80% of the federal Area Median Income; living in overcrowded, substandard housing or paying more than half their income on housing; willing to contribute 300 "sweat-equity" hours per adult to help build their homes.

On average, the Atlantic Avenue families earn \$39,000 per household.

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Built by New Yorkers, for New Yorkers, up to 10,000 volunteers will help construct these homes. This influx of visitors to Ocean Hill-Brownsville will spend money in the community and help to revitalize the neighborhood. Habitat-NYC will buy many supplies from local businesses; construction workers, future homeowners and volunteers will buy lunches in the area. Together, this will channel nearly \$2 million directly to Ocean Hill-Brownsville during the two-year construction period.

Deborah VanAmerongen, Commissioner of the New York State Division of Housing and Community Renewal, said: "Affordable housing is a powerful economic engine, as this report makes clear. I want to commend Habitat for Humanity for its vision and commitment to construction that not only provides quality homes for people who need them, but also enhances the economic well-being of communities. DHCR is honored to be part of the team of volunteers that will help make this historic Habitat project a reality."

"Investing state resources in affordable housing not only provides much-needed homes for working families, but also provides an important economic stimulus for emerging neighborhoods," said **Priscilla Almodovar, President and Chief Executive Officer of the NYS Affordable Housing Corporation**. "That's why the Affordable Housing Corporation invested in Habitat's condo development in Ocean Hill-Brownsville and why we continue to invest in homeownership throughout New York City. These projects bring life and vitality to growing neighborhoods. We are heartened that the HR&A Advisors study has now quantified the tremendous economic impact Habitat's development will have on this neighborhood." (AHC provided a \$1.6 million grant to help finance the condos in Ocean Hill-Brownsville.)

Viola Greene-Walker, District Manager of the neighborhood's Community Board 16, said she is pleased to see the economic revitalization in this part of her neighborhood. "Habitat-NYC's Atlantic Avenue is transforming a vacant lot from a blighted condition . . . into affordable housing for families," she said.

Marilyn Gelber, Executive Director, Independence Community Foundation, said: "Our decade of investment in Habitat-NYC's unique model of urban home ownership has now produced this great green 41-unit development, which will contribute millions of dollars to the local economy while creating great homes that strengthen the community fabric of Brownsville and East New York and bring in new families who will become its next generation of civic leaders."

The full report and executive summary are available at www.habitatnyc.org.

Habitat-NYC transforms lives and our city by uniting all New Yorkers around the cause of decent, affordable housing. With the help of an average of 10,000 volunteers every year, Habitat-NYC has built more than 180 affordable homes in the five boroughs of New York City. Learn more at www.habitatnyc.org.

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