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Public-Private Partnership to Rescue Stalled Supportive Housing Projects

\$5 Million Initiative Will Fund Housing Projects Halted by Budget Crises and Frozen Credit Markets

LOS ANGELES – April 6, 2010 - The Corporation for Supportive Housing (CSH) and Conrad N. Hilton Foundation today announced a \$5.2 million initiative to continue building permanent supportive housing for homeless people in Los Angeles. With assistance from the Community Redevelopment Agency of the City of Los Angeles (CRA/LA), JPMorgan Chase & Co. and Fannie Mae, The Los Angeles Supportive Housing Recovery Initiative, as the new effort is called, will provide a mix of grants, low-interest loans and technical assistance to housing developers in Los Angeles that are experiencing project delays due to state and municipal budget crises and frozen credit markets. The Hilton Foundation provided \$4 million toward the Los Angeles Supportive Housing Recovery Initiative.

Permanent supportive housing, which combines affordable housing with supportive services, has proven to be a highly cost effective way to end long term homelessness for people facing complex challenges, including mental illness, substance abuse and physical disabilities. The economic downturn has stalled construction of new supportive housing developments and placed a crippling financial burden on many nonprofit housing developers who have been forced to resort to program cuts, hiring freezes and lay-offs.

“The LA Supportive Housing Recovery Initiative is critical to ensure that the permanent supportive housing industry isn’t permanently hurt by the recession, which would have long-term and devastating results for the city, nonprofit developers and homeless and disabled people in desperate need of this housing,” said Ruth Teague, CSH Los Angeles Director.

Reports show a significant drop in homelessness in Los Angeles County over the last few years due, in part, to an unprecedented rise in the production of permanent supportive housing. The initiative will restore momentum to an effort that CSH, the Hilton Foundation and other partners began five years ago to address chronic homelessness in Los Angeles. That initial effort stimulated the development of more than 2,000 new units of permanent supportive housing and attracted dozens of new developers into the permanent supportive housing field. Approximately 600 of these units are shovel-ready but have not been built due to the difficult economic environment and lack of access to public and private financing commitments that were previously made.

“In order for the supportive housing sector to weather the current economic storm and ensure earlier successes and momentum continue, the initiative also will foster broader collaboration among government, foundations, banks, and Community Development Financial Institutions. This will allow the community to address the recession in a more proactive, coordinated manner, enabling stalled projects to move forward, while promoting greater collaboration as an industry-wide solution to this crisis,” Teague noted.

By providing chronically homeless people with a way out of expensive emergency public services and enabling them to get back into their own homes and communities, supportive housing not only improves the lives of its residents but also generates significant tax savings.

“Without supportive housing, homeless individuals bounce from one emergency system to another, which is extremely costly in human and economic terms. It is critical to help individuals access the support services they need to help them address their underlying problems and stabilize their lives,” says Steven M. Hilton, president and CEO of the Conrad N. Hilton Foundation which has made supporting solutions to long-term homelessness one of its top priorities. To date, the foundation has granted \$25 million to CSH to address the needs of chronically homeless people through supportive housing in Los Angeles and nationally.

“CRA/LA has long been a committed partner in the effort to end chronic homelessness in Los Angeles through the construction of supportive and affordable housing,” said Cal Hollis, Interim CEO of CRA/LA. “The work we do in partnership with the developers of supportive housing exemplifies the true value of redevelopment, as we provide safe and affordable quality housing for people who need it most. We are honored to be a part of this initiative.”

CSH will implement the initiative and supportive housing developers interested in applying for assistance should contact laca@csh.org.

About the Corporation for Supportive Housing Los Angeles Program

CSH is a national nonprofit Community Development Financial Institution with offices located throughout the United States. Building on a commitment to invest in the communities it serves, CSH provides the advocacy, expertise, leadership, and financial resources to make it easier for local communities to create and operate supportive housing, which is permanent housing linked to services that prevent and end the cycle of chronic homelessness. In 2003, CSH opened its offices in Los Angeles. Since then, CSH has distributed over \$22 million in funding to stimulate the development of over 2,000 units of housing throughout Los Angeles County. Learn more about how we fight homelessness at www.csh.org.

About the Conrad N. Hilton Foundation

The Conrad N. Hilton Foundation was created in 1944 by international business pioneer Conrad N. Hilton, who founded Hilton Hotels and left his fortune to help the world’s disadvantaged and vulnerable people. The Foundation currently conducts strategic initiatives in five priority areas: providing safe water, ending chronic homelessness, preventing substance abuse, caring for vulnerable children, and extending Conrad Hilton’s support for the work of Catholic Sisters. Following selection by an independent international jury, the Foundation annually awards the \$1.5 million Conrad N. Hilton Humanitarian Prize to a nonprofit organization doing extraordinary work to reduce human suffering. Since its inception, the Foundation has awarded nearly \$900 million in grants and distributed \$80 million in 2009. The Foundation's current assets are nearly \$2 billion. For more information, please visit www.hiltonfoundation.org.

About Community Redevelopment Agency of the City of Los Angeles

CRA/LA (www.crala.org) is a public agency regulated by the State of California and operating within the City of Los Angeles. CRA/LA makes strategic investments to create economic opportunity and improve the quality of life for the people who live and work in our neighborhoods. CRA/LA manages 32 redevelopment projects areas and three revitalization areas in seven regions: East Valley, West Valley, Hollywood & Central, Downtown, Eastside, South Los Angeles, and the Harbor.

About Chase

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