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New York City Change Capital Fund Launches New Initiative to Support
Community Development Groups Tackling Poverty

New York, New York - [June 2, 2014] - The New York City Change Capital Fund (CCF), a collaboration of 17 foundations and financial institutions dedicated to the revitalization of distressed New York City communities, today announced the launch of a new initiative to harness the strength of community development corporations (CDCs) to reduce poverty in high-need New York City neighborhoods.

CCF is funding five New York CDCs to help them retool and refocus their strategies and business models to address persistent poverty more effectively. Each CDC will receive up to \$1 million over four years and access to technical assistance as they implement new and refined approaches and improved outcome tracking systems that will equip the organizations to better demonstrate their results in a funding environment that pays for success. The selected CDCs previously participated in a planning process, also funded by CCF, in which they developed community-based, multi-disciplinary tactics to address systemic poverty and track measurable results.

Despite improvements to the physical conditions of many low-income neighborhoods and the reversal of the disinvestment experienced in the 1970s to 1990s, poverty and limited economic mobility remain obstacles to residents of very low-income communities. The poverty rates in the targeted neighborhoods range from 30% to over 40%, and residents struggle with unemployment, underperforming schools and higher crime rates than the rest of the city.

The five CDCs will integrate programs that most often operate in silos to multiply their impact; for example, residents of affordable housing may increase their financial literacy and job skills while their children benefit from support for school success and college access. The groups will act as anchors to a constellation of local, government, and private partners that will restore opportunity and address the roots of poverty in New York's distressed neighborhoods.

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The donors selected these five groups to implement their business plans:

- **Community Solutions/Brownsville Partnership** will orchestrate a 5,000 jobs campaign as the anchor for multifaceted services in the Brownsville neighborhood of Brooklyn, which includes over 4,000 apartments in public housing plagued with extraordinarily high poverty and crime.
- **Cypress Hills Local Development Corporation** will combine real estate development strategies that increase affordable housing and quality manufacturing jobs with a continuum of educational services that starts with school readiness and continues through college graduation for the residents of Cypress Hills and East New York.
- **Fifth Avenue Committee** will work with Brooklyn Workforce Innovations, Red Hook Initiative, and the South Brooklyn Industrial Development Corporation to improve educational and workforce outcomes for public housing residents, particularly for the young adults (18+) of Red Hook and Gowanus.
- **New Settlement Apartments** will focus its poverty-reducing efforts on priority populations in the South Bronx, ensuring greater continuity and intensity of program participation and improving the coordination and efficacy of housing, education, and employment services.
- **St. Nicks Alliance** will launch NABE 3.0, a new initiative integrating evidenced based employment, education and affordable housing strategies in a targeted high poverty North Brooklyn district. NABE 3.0 will facilitate partnerships with government and nonprofits in a coordinated outcome driven effort to increase employment, improve educational outcomes and reduce homelessness.

Each grantee has been awarded a \$250,000 grant, renewable for three additional years. Nonprofit Finance Fund and Public Works Partners will provide technical assistance to the grantees to refine their plans, further develop their revenue and business models, establish their tracking systems, and use evidence-based data to improve programs and demonstrate public benefits.

“Community-based organizations coordinate a wide range of robust services to meet the diverse needs of every New York City neighborhood,” said Matthew Klein, Executive Director of the NYC Center for Economic Opportunity. “The Capital Change Fund’s work to support effective non-profits and promote data-driven strategies aligns with the goals of the de Blasio Administration and we are proud to be a partner.”

“The Mayor’s housing plan envisions a comprehensive approach -- connecting affordable housing to other vital resources to build diverse, sustainable communities and a more equitable city,” said HPD Commissioner Vicki Been. “Our nonprofit partners play a vital role in helping to make those services and resources available to those with the greatest need. Capital Change Fund’s work to support these CDCs so they can expand and improve their efforts to fight poverty in our neighborhoods is critical, and is much appreciated.”

“Strong neighborhoods and economic opportunity are critical to a strong New York City,” said Pamela Flaherty, President and CEO of the Citi Foundation, the lead funder behind the initiative. “We are proud



to be part of this collaborative of foundations and non-profit and private institutions that are making a bold investment to help tackle poverty in New York City.”

“Growing up in one of New York City’s high-poverty neighborhoods is associated with poor outcomes in education, health, criminal justice system involvement and even homelessness with life expectancy in the city’s poorest neighborhoods four years shorter than the city’s wealthiest neighborhoods,” said Steven Flax, Administrative Vice President M&T Bank, and chairman of CCF. “The Change Capital Fund is supporting local organizations seeking to alter this trajectory.”

“Many of the same nonprofits that rebuilt housing and commercial strips are best positioned to rebuild the social fabric of our most vulnerable communities,” said Gary Hattem, President of the Deutsche Bank Americas Foundation and Managing Director of the Community Development Finance Group. “This means knitting together New York City Housing Authority developments with their surrounding communities and ensuring that every public agency that impacts a low income family is tasked with coordinating their efforts to achieve results that improve lives and increases opportunities.”

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About the New York City Change Capital Fund

Over a period of nearly 20 years the donor collaborative now called the NYC Change Capital Fund (CCF) invested \$25 million in philanthropic dollars to strengthen the capacity of non-profit Community Development Corporations (CDCs). CDCs pioneered the revitalization of distressed communities throughout New York City by creating and preserving housing and repairing the fabric of neighborhoods across the city. The CCF recognizes the importance of strong neighborhoods to New York City, and particularly to the prospects of the city’s low-income residents.

Evolving from the *Neighborhood Opportunities Fund*, which began in 1996, the donor collaborative launched CCF, a new initiative that leverages the financial savvy and long-time community connections of CDCs to disrupt persistent and concentrated poverty. New and renovated housing, revitalized shopping districts, safer streets, and restored civic pride prove the benefits of coordinated philanthropy that supports entrepreneurial, community-based nonprofits.

Participating donors

Altman Foundation; Bank of Tokyo-Mitsubishi UFJ; Brooklyn Community Foundation; Capital One; Citi Foundation; Deutsche Bank Americas Foundation; Enterprise Community Partners, Inc.; F.B. Heron Foundation; Goldman Sachs; Local Initiatives Support Corporation; Mizuho Bank USA; M & T Bank; New York Community Trust; New York Foundation; Scherman Foundation; and United Way of New York City.

About Nonprofit Finance Fund

Nonprofit Finance Fund (NFF) unlocks the potential of mission-driven organizations through tailored investments, strategic advice and accessible insights. Founded in 1980, NFF helps organizations connect money to mission effectively, and supports innovations such as growth capital campaigns, cross-sector economic recovery initiatives and impact investing. A leading community development financial institution (CDFI) with over \$80 million in assets, NFF has provided over \$287 million in loans and access to additional financing via grants, tax credits and capital in support of over \$1.4 billion in projects for thousands of organizations nationwide. NFF is headquartered in New York City and serves clients from five offices across the country.



About Public Works Partners

Public Works Partners is a management consulting firm whose work strengthens the organizations that strengthen our communities. Public Works assists mission-driven organizations in the public, nonprofit and private sectors to develop innovative solutions to client needs, launch complex new programs, manage with data, and measure success. Public Works helps clients to build organizational effectiveness by refining core operations, developing management capacity, and creating growth strategies that drive mission impact.

About Our Grantees:

The **Brownsville Partnership** is a network of organizations and residents working together to build on existing assets to create solutions to Brownsville's most pressing challenges. The Partnership ends homelessness before it begins in a neighborhood that is dominated by ten large public housing developments. Its parent organization, **Community Solutions**, coordinates the Brownsville Partnership, which draws on the participation of more than 30 different partner organizations – not for profit, city government, and local groups - in the Brooklyn neighborhood of Brownsville and the robust engagement of local community members.

With community residents leading the way, the mission of **Cypress Hills Local Development Corporation** is to build a strong, sustainable Cypress Hills/East New York, where youth and adults achieve educational and economic success, secure affordable housing, and develop leadership skills to transform their lives and community. Each year, over 8,000 local residents participate in our programs, which include affordable housing development, community-based planning and sustainability initiatives, housing counseling, community organizing, afterschool programs, and education, employment and college access programs.

The **Fifth Avenue Committee, Inc.** (FAC) advances economic and social justice in South Brooklyn principally by developing and managing affordable housing and community facilities, creating economic opportunities, organizing residents and workers, providing student-centered adult education, and combating displacement caused by gentrification.

Since **New Settlement Apartments** began in 1989, it has grown to provide 1,022 affordable homes in 17 multi-family buildings and has transformed the Mount Eden neighborhood in the South Bronx from one of New York's neediest neighborhoods into a vibrant, mixed-income neighborhood. An integral part of its progressive housing philosophy is that "housing is not just bricks and mortar." Year-round community services and education programs are structured in direct response to the interests of neighborhood residents, who are primarily low-income Blacks and Latinos, including many new immigrants. Programs serving over 6,000 youth and adults each year are staffed by paid professionals and dedicated volunteers.

St. Nicks Alliance is a 39 year old, non-sectarian community development organization dedicated to keeping North Brooklyn sustainable for low- to moderate-income people. With more than 1,350 employees, we strategically focus on providing services in five main areas: housing, eldercare, workforce and economic development, youth and education. St. Nicks Alliance's work is guided by five principles of community development: achieve tangible results; empower residents and encourage self-help; leverage financial and human capital; foster grassroots decision-making through partnerships and collaboration; and, rebuild the social fabric of our community.