

Citibank Testimony June 25, 1998

Good afternoon. My name is Lydia Tom and I am director of Housing and Finance for The Enterprise Foundation's New York office. I would like to tell you briefly about Enterprise's involvement with Citibank, and how the bank has partnered with Enterprise in working to improve the quality of life in low-income neighborhoods, through the development of housing and support services, both nationally and in New York.

Citibank has been an invaluable partner in helping Enterprise to provide different financial resources to low-income communities. Citibank has assisted us on many levels: as a funder, tax credit investor and loan source.

Enterprise and Citibank have been working together since 1991. Enterprise was established by Jim and Patty Rouse in 1982 to provide the opportunity for low-income Americans to secure decent affordable housing and move up and out of poverty. Since that time, Enterprise has helped create over 86,000 affordable apartments nationally, including 8,000 in New York.

Citibank has worked with Enterprise in many cities around the country, including New York, Buffalo, Rochester, Syracuse, Delaware, Maryland, the District of Columbia, Florida, San Antonio, St. Louis, Nevada and California.

Since 1991, Citibank and the Citicorp Foundation have provided \$987,000 in grants to Enterprise and \$1.75 million in below market rate loans. Citibank has provided or committed to provide \$74 million in equity through the Low Income Housing Tax Credit. This \$74 million includes \$50 million invested in the New York Equity Fund, as well as nearly \$20 million in national funds that have supported special needs housing in New York. This housing serves the formerly-homeless, the elderly, those with a history of mental illness or substance abuse, and those with AIDS.

These numbers have a real impact on communities. The funds have been used to extend credit to low-income families for homeownership, to develop affordable rental housing by placing equity from Citibank in tax credit eligible multi-family housing and to support special programs through grants, in such areas as job training and child care that improve the quality of life for residents.

As an investor in the tax credit and a source of predevelopment loans, Citibank has facilitated the creation of affordable housing for those who need it most. You may have read a recent New York Times article that noted that the number of housing needy families in the United States outnumber affordable apartments by 4.4 million. The Low Income Housing Tax Credit has been a valuable tool in filling this gap. Citibank's total commitment to the credit will help produce an estimated 1,750 safe, decent affordable homes nationally.

Citibank is also participating in Enterprise's CityHome program, an effort with NYC and The Community Preservation Corporation to provide homeownership opportunities for low and moderate-income families. Citibank will be providing mortgages for these first-time buyers. CityHome targets smaller, abandoned City-owned buildings and helps bring stability to

neighborhoods by transforming eyesores into community assets and bringing back owners to deteriorated blocks.

Predevelopment loans are another tool Citibank has provided for the development of affordable housing. In New York, Citibank has provided \$1.5 million in predevelopment funds over the past two years. This includes some monies to upstate regions. These funds help nonprofits pay for expenses such as architectural and legal fees, so that construction can close.

Support services such as child care, job training and greening projects build on housing and uplift the quality of life in neighborhoods. Citibank has been sensitive to these needs. Citibank was an early funder of a child care initiative Enterprise established. Through this project, two facilities have been developed that provide quality child care for over 200 children from low-income families. Citibank also provided funds for a training program connected with one of these centers through which low-income women receive training in the Montessori Method of early childhood development while working as teacher aides and classroom assistants. This program, serving about 20 women, has made it possible for several participants to get off welfare and pursue a career in early childhood education.

Citibank has also used its resources to fund employment initiatives, a major concern now that welfare reform has impacted communities. On a national level, Citibank funds made it possible for Enterprise to launch the Volunteer Institute in 1994. The Volunteer Institute provides training for AmeriCorps volunteers solicited by selected nonprofit groups for community safety programs. Thanks to Citibank's generosity, this program has had outstanding results for people at very low income levels, some of whom are having their first experience in the work world.

Citibank also funded a new job training effort in New York called the "Treekeeper Training Program" which will train residents in low-income neighborhood in tree maintenance and landscaping and link them with jobs with smaller landscaping contractors looking to create city-based work crews.

On the community level, Citibank has used its resources to develop creative partnerships to meet local needs. Through its Culture Builds Community program, Citibank funded a program, implemented by Enterprise and Trees New York in 1995, to plant street trees along W. 159<sup>th</sup> St. in Washington Heights. The Community League of W. 159<sup>th</sup> St. was the local sponsor. Residents helped plant and have since cared for and maintained the trees. Not only has the program helped bring greenery to the block, but the care of the trees has served as an organizing tool for tenant associations.

Finally, the leadership of Citibank senior executives has been a great asset to Enterprise. Janet Thompson and Emilio Fernandez serve on Enterprise advisory boards in New York and Miami, respectively. In New York, Janet has been instrumental in examining ways in which Enterprise and Citibank can contribute to a more comprehensive approach to community development. Other Citibank executives have been very active in Enterprise New York's "Junior Board", a group of young professionals who participate in hands-on activities in neighborhoods, such as planting community gardens and furnishing community rooms. Citibank has been very helpful with Enterprise's annual Network Conference, which now involves over 1,300 housing

professionals from around the country. Citibank executives have addressed the conference and participated in workshops.

Enterprise supports the application for Citibank and Travelers to merge. We hope that this is an opportunity to expand services to low-income communities, through the combination of Citibank's existing initiatives with the resources that Travelers brings, including \$100 million in tax credit investments made by Salomon Brothers.