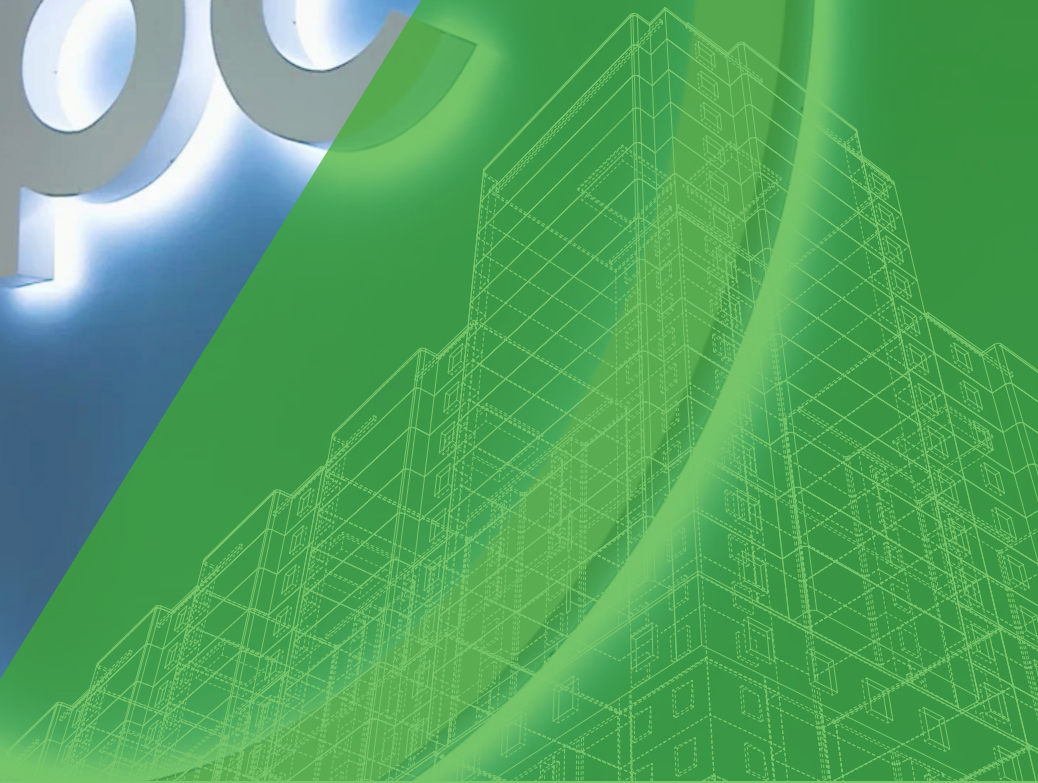




Community
Preservation
Corporation

cpc



FISCAL YEAR

2021

ANNUAL
REPORT

MISSION IN FOCUS

During a record-breaking Fiscal Year 2021 (FY 21), CPC deployed roughly \$937 million in capital to support impactful housing and community development projects across our construction, permanent, and Agency lending and investing platforms. Each loan and investment tells a story of the housing that is built, the small Black, Indigenous, People of Color (BIPOC) developer who is able to grow their business or the tenants who have safe, affordable housing. They reflect CPC's deep commitment to our mission and our transformative impact within communities and on people's lives.

This was a year when states and municipalities continued to grapple with the fallout of the pandemic, and the impact of severe weather events on housing and other infrastructure. Underserved communities, particularly those of color, often suffer far deeper impacts during times of crisis. In response to these issues, CPC refocused our unique expertise in housing finance and public policy to help expand access to affordable housing and drive down the costs of housing production, advance diversity and equity within the development industry and mitigate the effects of climate change in our communities by financing sustainable housing.

Our work included launching the \$20 million ACCESS initiative to invest in BIPOC real estate entrepreneurs to help them

build their businesses and expand quality housing in Black and brown communities. We partnered with New York State to administer COVID relief funding to small rental building owners, and together launched a new program to transform blighted properties into home ownership opportunities for low-income New Yorkers. And our sustainability practice continued moving the multifamily industry towards sustainable construction and decarbonization of the built environment, financing hundreds of high-efficiency units and convening a multi-day virtual Carbon Neutral Summit.

As part of a collaborative effort, we closed on the financing to begin a comprehensive rehabilitation and revitalization of 38 buildings and more than 1,710 apartments across 16 public housing properties in New York City. This project will preserve a critical piece of deeply affordable housing stock, and bring long-term stability to the nearly 3,000 people who live there.

CPC's mission is the through line that propels each of the company's business lines and initiatives, directing our unique expertise and determining how we deliver our capital to the people and places where they are needed most. Our belief that housing is the foundation of thriving, equitable communities will continue to move us forward and guide our work.

PRESIDENT'S MESSAGE

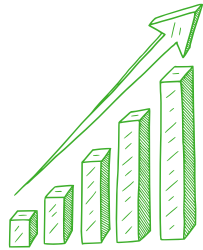
I am incredibly proud that we were able to leverage our mission-driven work and the capital we provide to create new economic opportunity at a time when communities were struggling to recover from the enormous toll of COVID-19.

- Rafael E. Cestero, President & CEO

[PLAY VIDEO](#)

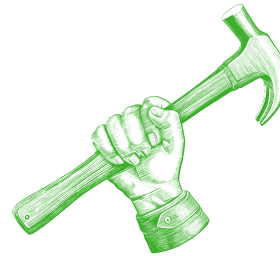


FY21 HIGHLIGHTS



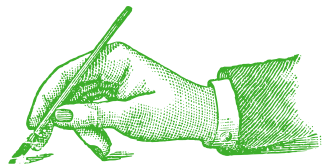
\$937

Million in Lending
and Investing



8,400

Units Created
or Preserved



260+

Loans



74%

Affordable Units



67%

Sustainable Units



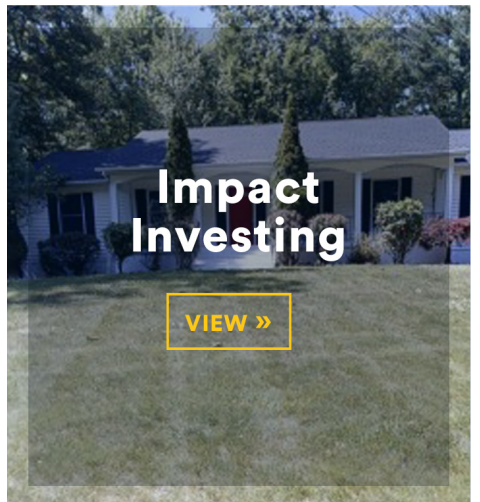
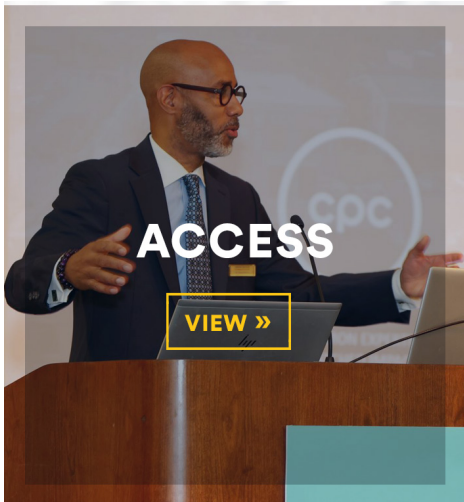
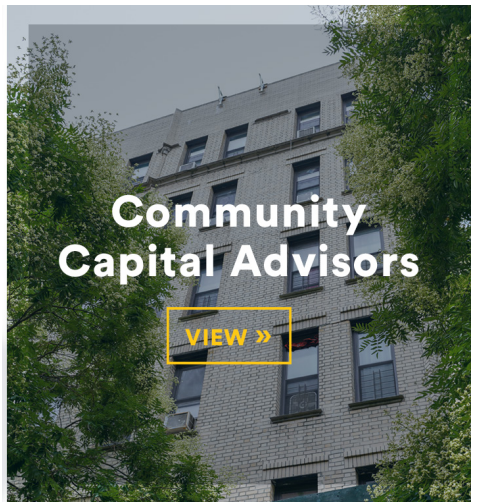
\$4M

to Support Black and
Brown Developers



UNIQUELY CPC

The CPC team executed our mission at unprecedented scale in FY 21, working across our suite of capital products to deliver nearly \$940 million in flexible capital to neighborhoods across New York and beyond.



CONSTRUCTION LENDING

CPC’s construction lending business provided more than \$464 million in loan funding to revitalize historic downtowns, to create and preserve affordable and supportive housing and to invest in the small multifamily rental stock that is the backbone of New York communities.

\$464

Million in Lending

26

Counties Reached

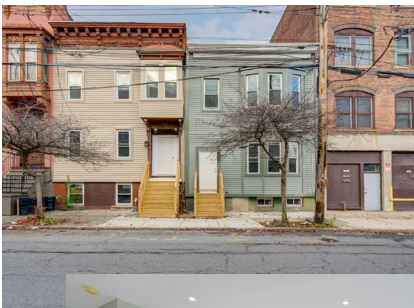
80%

Affordable Units

Roughly 2,400 units, or approximately 80% of the total units financed through CPC’s construction lending in FY 21 were affordable to households earning at or below 80% Area Median Income. Additionally, more than half of the total projects financed through CPC’s construction lending were energy efficient construction or retrofits, helping to reduce the carbon footprint of communities and leading to better outcomes for tenants and cost savings for owners.

Our Impact in New York Since 1974

	Dollars Invested	Units Financed
New York Capital Region	\$800 Million	16,330
Central New York Region	\$1 Billion	18,850
Hudson Valley, New York	\$1.8 Billion	24,190
New York City and Long Island	\$6.8 Billion	128, 730
Western New York	\$392 Million	5,970



ALBANY, NEW YORK

Rehabbing 9 Small Buildings to Revitalize an Underserved Neighborhood

\$2.7 Million Construction and Permanent Financing

CPC joined New York State and Albany Clinton Redevelopment LLC, whose principal is Patrick Chiou, to finance a \$5.3 million affordable housing project that is rehabilitating nine small buildings and two vacant lots in the vicinity of the historic Clinton Avenue corridor. The properties were acquired from the Albany County Land Bank and private sellers. Eight of the buildings have been vacant for several years and the neighborhood has suffered from deteriorating building stock in recent years. When complete, the project will replace the underutilized properties with 40 quality apartments available for rent at or below 80 percent of the Area Median Income.

The project is financed through the New York State Housing and Community Renewal (HCR) Participation Loan Program, which supports the preservation and improvement of affordable rental housing in five- to 40-unit buildings.

Two of the buildings are located near 800 Broadway, which is a 15-apartment project consisting of four historic buildings redeveloped by Mr. Chiou and financed by CPC in 2018.



THE BRONX, NY

New Multifamily Building Purchased for Affordable, Supportive Housing

\$22 Million Construction and Permanent Financing

CPC provided The Bridge, Inc. an established supportive housing provider, with an \$11 million acquisition loan with a planned \$11 million permanent loan to facilitate the nonprofit organization’s purchase of a newly constructed, 50-unit multifamily building in the Morrisania neighborhood of the Bronx. The Bridge relocated 58 residents to the property from two other, older supportive housing projects and multiple scattered sites, enabling convenient renovation of the existing apartments while improving quality of life for the relocated residents. The Bridge is now able to provide more New Yorkers with deeply affordable, supportive housing, which is in short supply throughout the city.

As part of the project, The Bridge is retrofitting the ground floor community space to offer on-site supportive services for residents. The organization provides housing and behavioral health services to 3,200 New Yorkers each year and maintains a waiting list for its residences.



POUGHKEEPSIE, NY

New Construction of Affordable, Sustainable Apartments

\$12 Million Construction Loan

CPC is partnering with local Hudson Valley development team Ken and Sean Kearney and nonprofit Hudson River Housing, to transform a formerly underutilized city-owned parking lot into 75 middle- and low-income housing units in downtown Poughkeepsie. The project will include 52 units with rents at or below 50% and 60% of Area Median Income (AMI). An additional 22 units will be rented at or below 80% AMI, and 12 units will be set aside for residents with physical disabilities.

The development will be built to meet New York State’s Green Building Initiative, which includes Energy Star and LEED certification. Located one block from Main Street, the garden style complex is conveniently located near 12 bus lines, a Metro North train station, shopping and other services.

Additional financing sources include Federal Low Income Housing Tax Credits and Brownfield Tax Credits, County HOME funds, and NYSERDA funds.



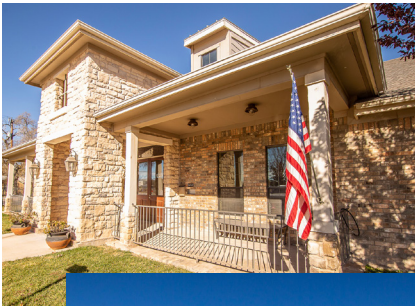
MORTGAGE COMPANY

CPC’s national Agency lending subsidiary, CPC Mortgage Company, originated more than \$425 million through a portfolio of Freddie Mac, Fannie Mae and HUD/FHA mortgage products to multifamily building owners across the country. Through its focus and unique expertise on the financial needs of affordable housing and small buildings, CPC Mortgage Company channeled flexible, affordable Agency capital to new borrowers and communities in need, with more than 70% of the mortgages supporting housing that is affordable to residents at or below 80% of Area Median Income.

\$425
Million
Originated

17
States
Reached

70%
Affordable
Housing



ODESSA & CLEBURNE TEXAS, AND HOBBS & ROSWELL, NEW MEXICO

Preserving Small Affordable Properties in Texas and New Mexico

\$14.7 Million in Fannie Mae Financing

CPC Mortgage Company arranged a \$14.7 million Fannie Mae Multifamily Affordable Housing loan to refinance a portfolio of four multifamily properties in Texas and New Mexico totaling 376 units, bringing long-term stability to the buildings and the residents who call them home. With rents affordable to households earning at or below 60 percent of Area Median Income, the properties are a source of stable, quality affordable housing in their respective communities.

CPC previously provided a bridge loan to Landmark TC Management for a Year 15 reposition, allowing the entity to buy out the limited partner investor on this portfolio, which was originally built under the 9% Low Income Housing Tax Credit program. In smaller communities such as Roswell and Hobbs, New Mexico, the preservation of affordable housing can be essential to the stability of the community.

THE VIEW AT NOB HILL, ELMSFORD, NY

Providing Stable, Flexible Financing to Preserve a Large Multifamily Property

\$77.6 Million in Freddie Mac Conventional Financing

CPC Mortgage Company provided refinancing for The View on Nob Hill, a 416-unit multifamily property located in Elmsford, New York. Built in 1993, the 416-unit, garden-style apartment complex consists of 22, two-story apartment buildings. Twenty percent of the total units are designated as affordable housing and are income-restricted to moderate- and low-income tenants.



“We appreciate the professionalism and transparency of all of the parties involved in ensuring that the loan was closed on-time and as planned. We are proud that our association with CPC Mortgage Company on this loan will support the affordable housing and neighborhood revitalization mission of their nonprofit parent company, as well as our goal of continuing to rehabilitate and stabilize this property.”

- Howard Huang, Partner in the Ares Real Estate Group



COMMUNITY CAPITAL ADVISORS

As an equity investor, CPC leverages its record as an innovative housing finance partner to provide a source of patient equity financing that supports and stabilizes well-managed affordable and workforce rental housing. In FY 21, CPC and partners began the massive rehabilitation of the New York City Housing Authority (NYCHA) Manhattan portfolio, consisting of 38 troubled New York City public housing buildings across 16 properties. CPC is part of the PACT Renaissance Collaborative (PRC), a development team that is renovating, preserving and managing the portfolio as part of the RAD/PACT program.

Equity Portfolio Snapshot

2,900
Units Owned

96%
Affordable
Units

The complex and mission-driven project aligns with the CPC belief that responsible, long-term stewardship of multifamily housing can help preserve affordability, reduce displacement and act as a stabilizing force for residents and their communities.



NYCHA MANHATTAN PORTFOLIO, NEW YORK, NEW YORK

Renovation, Preservation and Long-Term Stewardship of 16 NYCHA Properties

CPC and its PRC partners made significant progress on major renovations of the NYCHA Manhattan portfolio after closing on financing in November 2020. At the close of the fiscal year, the development team had begun transforming three of the 16 developments in the portfolio including two senior buildings, and completed gut renovations of more than 600 bathrooms and more than 400 kitchens. The roughly three-year process will see 1,718 apartments in 38 buildings across 16 properties go through a massive rehabilitation including interior and exterior renovations and systems upgrades. The investment and ongoing management by CPC and its partners preserves a critical piece of New York City's affordable housing stock and brings long-term stability to the nearly 3,000 people who call these developments home.



Through the end of FY 21, PRC had hired 23 NYCHA residents to permanent positions such as porters, repair people, supers or tenant services coordinators. Initial social services outreach led by nonprofit partner Community Leagues of the Heights (CLOTH) included more than 6,400 wellness calls to introduce residents to new services and community programming.

Additional project partners include Monadnock Development, Lemor Development, Kalel Partners and Community Development Trust; Cornell Pace serves as property manager.

ACCESS

In response to the social justice movement and the disparate impact of COVID on communities of color, CPC created and [launched its ACCESS initiative](#) in FY 21. ACCESS is a \$20 million program providing financial resources, capacity building opportunities and technical assistance to BIPOC entrepreneurs who have historically faced barriers to entry in the real estate development market, with the goal of promoting and enabling greater racial diversity within the industry. In under a year, the initiative deployed nearly \$4 million in flexible capital and technical assistance to Black and brown developers across New York.

\$20 Million

Dedicated to ACCESS

Through its ACCESS initiative, CPC also partnered with New York State to launch the [Legacy Cities program](#) that will transfer portfolios of blighted, land bank-owned single-family properties to local developers with a preference for Minority and Women-owned Business Enterprises (M/WBEs). Following rehabilitation, sales will prioritize purchasers of color and low-income households, helping to tackle the issue of generational wealth building through homeownership.



368 MAIN STREET, POUGHKEEPSIE, NEW YORK

A Husband and Wife Team Revitalizing Main Street and Realizing a Dream

\$465,000 Construction and Permanent Loan

CPC worked with Hudson Valley couple Garfield and Shereen Salmon to help finance the renovation of a long-vacant Poughkeepsie property into a mixed-use building that will create five new rental apartments and ground-floor commercial space, where the couple plans to fulfill a longtime ambition to operate a café and catering business.

Seven local lending institutions turned down The Salmons before they heard a “yes” to financing from CPC through its ACCESS initiative, which invests funding and pre-development support in minority developers and real estate entrepreneurs. While the Salmons have residential real estate experience, 368 Main Street is the first property with a commercial space and the largest scale renovation project that the couple has completed. Mr. Salmon, a professionally trained chef, previously operated a catering business out of his home for more than a decade, but changing policies due to the COVID-19 pandemic meant that he needed a commercial space for his Caribbean, French and Italian inspired cuisine.

The couple named their new business Upstream Café to memorialize the challenging path to financing the project, as well as the couple’s own history – they moved from the Bronx, to Westchester and up the Hudson River to Putnam County, and purchased several small multifamily buildings along the way.

Originally from Jamaica, the Salmons are making an impact through this revitalization project in a traditionally underserved portion of downtown Poughkeepsie with a growing Jamaican community.

“CPC’s ACCESS program has truly given us access to fulfill a dream that could have been so easily abandoned because of the financing struggles that Black-owned entrepreneurs face,” **said Garfield and Shereen Salmon.**

SUSTAINABILITY

CPC is committed to financing, advising on best practices, and advocating for solutions and policies to decarbonize multifamily buildings in an environmentally just way. Our sustainability team works collaboratively with partners to add value to the market and support the adoption of increased environmental and economic sustainability in communities. This year, CPC continued to lead by example by becoming a carbon neutral company, launching a comprehensive guide to financing high-performance buildings and convening the multifamily sector for a Carbon Neutral Summit with the New York State Energy Research and Development Authority (NYSERDA).

- **\$285 Million** invested in energy efficient units
- **Carbon Neutral** Business Operations
- **Nearly 70%** of construction units financed were retrofits for energy efficiency
- **12 Events** aimed at educating borrowers, lenders, and partners on new programs, legislation, and technologies that support building decarbonization

Education and Advocacy

The Sustainability team worked closely with our city and state housing partners to help stand up and increase awareness around two programs supporting the adoption of on-site solar and energy efficiency measures in new construction and preservation projects:

- [New York City Housing Preservation & Development Solar Where Feasible Mandate](#)
- [New York State Housing and Community Renewal Clean Energy Initiative](#)

Carbon Neutral Summit

Advancing our efforts to support and promote energy efficiency and decarbonization in housing, CPC partnered with the New York State Energy Research and Development Authority (NYSERDA) to host a three-day, virtual Carbon Neutral Summit. The webinar series covered a range of topics related to decarbonization and featured industry pioneers from both the government, nonprofit and business sectors. [Learn More »](#)



Financing High-Performance Guide

Designed for the multifamily ecosystem, the Financing High-Performance Guide offers examples of successful high-performance design and provides technical support for the affordable multifamily industry to adopt lower-carbon practices.

[View Guide »](#)



THE SMITH BUILDING, SYRACUSE, NEW YORK

Historic Rehabilitation Brings Sustainable Living to Downtown Syracuse

- **\$5.7M** CPC Construction Loan
- **\$4.1M** Permanent Loan provided by the New York State Common Retirement Fund, insured by the State of New York Mortgage Agency

CPC worked with Paulus Development, a repeat customer, and New York State to finance the revitalization of the historic Smith Supply Warehouse property located on Erie Boulevard, formerly the Erie Canal, in Syracuse, NY.

This project is breathing new life into a symbol of the city’s history, transforming two former manufacturing buildings into 38 affordable rental homes and ground floor commercial spaces that are bringing quality, affordable and sustainable apartments as well as new economic opportunity to the Syracuse community. The two connected buildings date back to 1890 and 1920, respectively, and were most recently home to a 125-year-old, sixth-generation family business, Smith Restaurant Supply. When the business relocated, the building’s historic rehabilitation began.

The renovation utilizes air source heat pumps to provide high performance heating and cooling.

During the 1960s, many neighboring canal-era buildings in the northeast corner of Syracuse’s Central Business District were demolished to make way for the construction of Interstate 81. With this property’s new beginning at the crossroads of I-690 and I-81, the development team aims to advance economic growth, improve quality of life and help address the injustices caused by the construction of the I-81 viaduct.

New York State Homes and Community Renewal provided \$2 million in construction and permanent financing through the Participation Loan Program (PLP). Additional capital sources include a brownfields bridge loan from CPC, a historic tax credit investment from Chase and a \$425,000 HOME loan provided by the City of Syracuse.

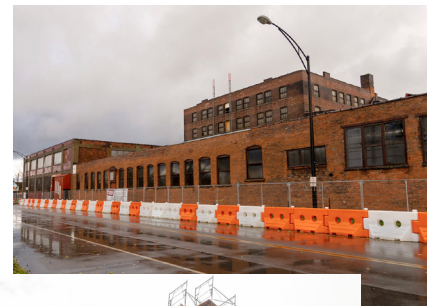
BARCALO LOFTS, BUFFALO, NY

Electric Power for a Former Industrial Complex

\$25 Million Construction Loan and \$19.25 Permanent Loan

CPC partnered with Barcalo Buffalo LLC to provide financing for the adaptive reuse of the former Barcalo Complex, built between 1896 and 1917 in Downtown Buffalo. The project will breathe new life into the neighborhood while preserving a piece of its history, creating 116 loft-like residential units and 36,000 square feet of new commercial space. Over decades of use as a manufacturing complex, the site’s factory buildings produced metal furniture, mattresses, box springs, recliners, Ford car parts and airplane plates. When complete, the revitalized building will provide a source of market rate housing and economic opportunity, supporting the ongoing transition of the Old First Ward District from an industrial area to a vibrant live, work, play community.

Plans for the building feature several energy efficient components including high-performance electric heat pumps for heating and cooling, solar panels, and a green roof.



IMPACT INVESTING

CPC recently allocated \$5 million to capitalize our new impact investing initiative, utilizing a different medium for deploying capital to expand the reach of our mission deeper into communities. The initiative focuses on new affordable housing and community development efforts that show promise of innovation. Impact investments target innovative initiatives to further CPC's commitment to addressing housing affordability, sustainability and the racial wealth gap.

43

**Affordable
Homeownership
Opportunities**

1st

**Impact
Investment**



Creating Homeownership Opportunities in New York and New Jersey

\$1.9 Million Investment

CPC partnered with fellow mission-driven nonprofit, Community Asset Preservation Corporation (CAPC), a wholly-owned real estate subsidiary of New Jersey Community Capital (NJCC), that provides financial products and services to create healthy, equitable communities. A joint fund supported the acquisition of 43 residential properties, the majority of which are single-family homes, for rehabilitation and sale, with priority given to first-time buyers earning between 80%-120% of Area Median Income. The Fund will also prioritize offers from first-time buyers, owner-occupants and buyers who have undergone housing counseling. In FY 21, the Fund closed and rehabilitation began on the properties.

CPC believes that homeownership is a key component to closing the wealth gap in our communities. With this investment, CPC aims to bring long-term stability to purchasers who would otherwise face barriers to owning a home.



FINANCIALS

CPC & Subsidiaries

Consolidated Financial Highlights (000s)

Net Assets	\$270,720
Revenues	\$90,286
Net Income	\$43,255

Assets Under Management (000s)

Servicing Portfolio	\$3,645,571
Construction Loan Portfolio	\$1,209,451
Equity Portfolio	\$44,551
Investment Portfolio and Cash Under Management	\$600,678
TOTAL ASSETS UNDER MANAGEMENT	\$5,501,250
Equity Units Owned	2,900

THANK YOU

Looking ahead, CPC will continue to extend our financial resources and hands-on support deeper into communities, tying each loan and investment to our goals of expanding access to affordable housing, investing in the green economy and closing the racial wealth gap.

Contact us at community.com

View the full CPC Annual Report:
community.com/2021annualreport

