



Community[®]
Preservation
Corporation



cpc
fiscal year

2022

ANNUAL REPORT

Mission IN FOCUS

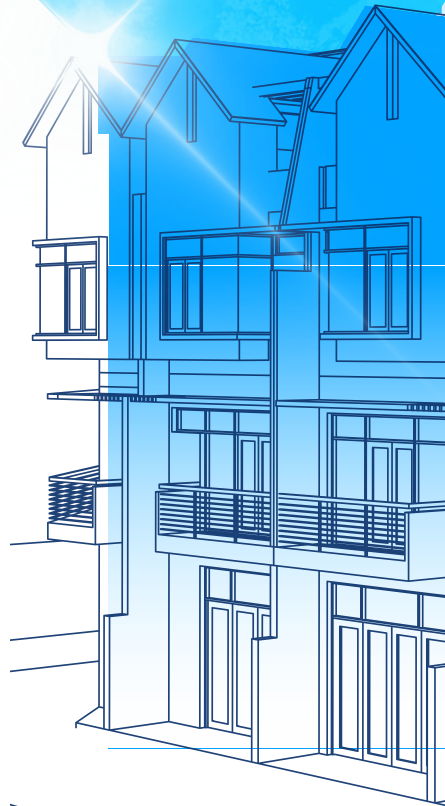
CPC continued to expand and elevate our impact in FY 22, lending and investing a landmark \$1 billion in neighborhoods across the United States.

CPC's mission-driven work across our construction and permanent lending, mortgage lending, and equity investing platforms and through initiatives and programs financed 144 transactions totaling 9,638 units in 12 states. Each project advanced CPC's impact goals of expanding the affordable housing stock, investing in the green economy, and reducing the racial wealth gap.

More than 95% of the total units financed were affordable to households earning at or below 120% area median income (AMI), with more than 80% of the units being affordable to households earning at or below 80% AMI.

CPC's \$1 billion lending and investing represented an increase in revenue and growth across CPC's business lines, which included \$412 million in construction lending originations, \$560 million in Agency mortgage originations, \$33 million in permanent lending originations, \$25 million in real estate equity investments, and \$3.5 million in investments through the company's mission-focused Impact Investing platform.

FY22 also saw CPC expand its impact through its knowledge sharing, educational initiatives, impactful new partnerships, and a new philanthropy program. Looking ahead, CPC remains committed to channeling our capital, unique expertise, and policy voice toward creating more affordable, sustainable, and equitable communities.



CEO's MESSAGE

The \$1 billion milestone represents an expansion of our mission and our ability to invest, share our knowledge and resources, and create an impact in communities where it's needed most.

[PLAY VIDEO ▶](#)

Rafael E. Cestero
Chief Executive Officer



FY 22 HIGHLIGHTS

\$1 Billion

in Lending and
Investing



144

Loans and
Investments



9,600

Units Created
or Preserved



95%

Affordable
Units



**100
Million+**

Invested with
BIPOC Developers



1,540

Sustainable
Homes Financed



President's MESSAGE

Every dollar of that \$1 billion represents a commitment to getting out into communities, making new partnerships, and finding new ways that CPC can make a difference.

We've grown and diversified the company through our traditional lending and investing, as well as through initiatives like ACCESS, Sustainability, and Connections that focus on equity, knowledge sharing, philanthropy, and community engagement. My thanks to our team at CPC, to our investors, government partners, and industry peers who are all a part of our success.

Sadie McKeown
President



Our BUSINESS

CONSTRUCTION LENDING

Whether the project is downtown revitalization, adaptive reuse, affordable and supportive housing, the acquisition and rehabilitation of distressed property, or new construction, CPC works closely with our customers and partners to make a positive impact in communities across New York and beyond.



IN FY 2022

CPC's construction lending
business originated **\$412**
MILLION

in **48** affordable and
workforce housing projects

CPC MORTGAGE COMPANY



**Mortgage
Company**

A COOPERATIVE OF IMPACT-DRIVEN
NONPROFIT LENDERS AND INVESTORS

CPC Mortgage Company, CPC's national Agency lending business, is bringing flexible capital to communities to expand and preserve affordable and workforce housing.

In FY22, CPC Mortgage Company originated \$561 million in Freddie Mac, Fannie Mae, and FHA/HUD mortgages across 11 states. CPC closed the year by bringing on Cinnaire and National Equity Fund as cooperative owners of the Agency lending business, alongside CPC.

The sector-defining partnership leverages the resources and expertise of its three nonprofit owners to increase access to Agency mortgage capital in neighborhoods where it is needed most.

32%

**YoY volume
increase in FY22**

80%

**of lending outside
New York State**



**John Cannon,
President, CPC
Mortgage Company**



I'm proud of the CPC Mortgage Company team and what we've been able to accomplish.

Our growth and geographic expansion allows us to move the mortgage industry towards a place where we can ask the question, 'where do we need to be to make the biggest impact?'

Whether it's affordable, conventional, or small we look at every deal through a lens of impact and potential, and every borrower and every transaction has the ability to help us continue our work of investing in communities.



EQUITY INVESTING

CPC's Equity Investing platform provides mission-driven investments into properties, portfolios, platforms, and funds to preserve and create high quality housing at affordable and workforce rents.

As an equity investor, CPC provides long-term stability to the residents of its nearly 4,000 units of quality, affordable housing under ownership.

IN FY 2022

In FY22, CPC deployed \$25 million in new equity investments and continued to steward the massive rehabilitation of a 38-building public housing portfolio that spans 16 properties in Manhattan and provides 1,718 units of deeply affordable housing to New Yorkers.



Investing in Long-Term Stability

MANHATTAN, THE BRONX, AND BROOKLYN, NEW YORK

1,036 Units

CPC's equity investment with fellow mission-driven organizations for the purchase and preservation of this portfolio ensures long-term affordability and stability for residents who call these newly built, high-quality apartments home.

Rents will remain income restricted, primarily at levels affordable to residents earning at or below 60% of area median income. Many of the buildings also offer on-site supportive services.

The 13 buildings are located on 10 properties developed by the Dunn Development Corp. In addition to CPC, mission-driven organizations with decades of experience in affordable housing make up the ownership team, including; The Community Development Trust, Monadnock Development, Red Stone Equity Partners, and the Black Developers Network Triboro.



CLOSING
THE RACIAL
WEALTH GAP



SUSTAINABILITY
& THE GREEN
ECONOMY

Our IMPACT



Expanding Affordable Housing

CPC continues to believe that housing is central to transforming underserved neighborhoods into thriving communities. We are working to expand housing access and seek new ways to lower the cost of producing affordable housing.

To date, CPC has delivered financing for the creation or preservation of homes for more than one million people.

New Beginning for a Historic Factory

JOHNSON CITY, NEW YORK

\$31.6M

In construction financing

The Endicott-Johnson Victory Factory, a historic industrial building, sat vacant for more than 40 years. With financing from CPC and additional partners, Paulus Development and LeChase Construction Services will transform this legacy site into a 156-unit anchor for revitalization. The redeveloped property will celebrate the area's manufacturing history while investing in the region's fast-growing educational and medical economies.



EXPANDING
AFFORDABLE
HOUSING



SUSTAINABILITY
& THE GREEN
ECONOMY

Preserving an Affordable Housing Portfolio

VARIOUS SITES, MICHIGAN

\$105.7 M

First Mortgage Financing
and Subordinate Debt

CPC Mortgage Company worked with Ginosko Development Company (GDC) and L+M Development Partners (L+M) on this \$105.7 million transaction to advance the organizations' shared goals of preserving and expanding access to affordable housing.

To support the acquisition and preservation of this 1,370-unit portfolio of affordable rental buildings, CPC Mortgage Company provided a total of \$97.6 million in first mortgage financing through Freddie Mac's Targeted Affordable Housing (TAH) product, along with \$8.1 million of CPC subordinate debt on three of the properties. A partnership between owners GDC and L+M will help preserve the long-term affordability and quality of the properties.



EXPANDING
AFFORDABLE
HOUSING



CLOSING
THE RACIAL
WEALTH GAP



Closing the Racial Wealth Gap

CPC is dedicated to doing our part in closing the racial wealth gap, and increasing diversity and equity in the development industry.

Through CPC ACCESS, CPC has invested more than \$378 million with BIPOC developers since 2020.

First Time Building Owner Achieves Her Dream

TROY, NEW YORK

\$480,000

Construction Loan

With a CPC construction loan and technical assistance through CPC ACCESS, Terrioma Stephenson completed her first gut renovation to transform a three-story walk-up building in the Prospect Park/RPI area of Troy. The 1900s-era building now offers four newly renovated apartments to the community, which has recently seen an increase in development and demand for housing.



CLOSING
THE RACIAL
WEALTH GAP



EXPANDING
AFFORDABLE
HOUSING

Strengthening and Preserving Housing Opportunities in South Los Angeles

LOS ANGELES, CALIFORNIA

\$29.5M

Portfolio Refinance

CPC Mortgage Company partnered with SoLa Impact, a social impact real estate fund that focuses on preserving, renovating, and creating high-quality affordable and workforce housing in communities of color, to provide financing for the revitalization of their portfolio.

As part of the ongoing collaboration, CPC delivered \$29.5 million in Freddie Mac Small Balance Loan program financing as well as a \$3.7 million pre-development loan to help refinance and preserve more than 150 affordable apartments in 22 buildings located in underserved communities throughout South Los Angeles.



CLOSING
THE RACIAL
WEALTH GAP



EXPANDING
AFFORDABLE
HOUSING



Sustainability & the Green Economy

CPC is committed to expanding our investment in the green economy and lessening the impact of climate change through our lending and investing in multifamily housing, and our knowledge-sharing and advocacy work.

To date, CPC has financed more than 10,000 energy-efficient homes.

Meeting Demand for Downtown Housing with Energy-Efficient New Construction

BEACON, NEW YORK

\$50.3M

Construction Loan

The largest residential rental property to break ground in Beacon in decades, 22 Edgewater Place will be a 246-unit, energy-efficient multifamily rental community including 25 affordable homes.

Sustainability is a focus of the design and construction, including employing high efficiency systems that eliminate fossil fuels for heating and cooling of the apartments. CPC is providing construction financing with its partners Salisbury Bank and Trust and Orange Bank and Trust.



Revitalizing Aging Buildings for a Clean Energy Future

THE BRONX, NEW YORK

\$37.4M

Construction Loan

\$37.4M

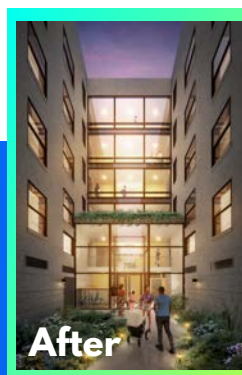
Permanent Loan

Wakefield Apartments is a supportive housing project for families overcoming homelessness and low-income households, and was the first affordable housing project to benefit from a pilot program to transition New York City's residential buildings to electric power. An energy retrofit of one, 54-unit building will partially electrify the development by replacing fossil fuel-based heating and cooling with highly efficient heat pump technology.

This substantial rehabilitation project will revitalize two 1920s-era buildings in the Wakefield neighborhood of the Bronx, converting units formerly utilized as temporary shelter into 126 permanently affordable homes. Nonprofit owner and developer Samaritan Daytop Village, a major social services provider in New York City, will offer on-site social service programs.



Before



After

Existing building (left) and rendering of proposed improvements (right). Rendering by Nighthorse Images courtesy of Magnuson Architecture and Planning



CPC CONNECTIONS

CPC is committed to supporting external partners beyond our traditional debt and equity investing and, internally connecting staff to our mission and the communities we serve.

IN FY 22

CPC awarded \$500,000 in philanthropic grants to mission-aligned nonprofit organizations, came together for four corporate volunteer days connected to our mission and philanthropy, and formalized knowledge sharing efforts with trainings and webinars. The new CPC ACCESS Incubator training advanced our commitment to closing the racial wealth gap with an eight-week training series designed to empower BIPOC entrepreneurs to succeed in real estate development careers.

Inaugural CPC Connections Grants

- Buffalo Federation of Neighborhood Centers
- CLOTH
- Community Loan Fund of the Capital Region
- Green City Force
- Hester Street Collaborative
- House of Mercy
- Nassau Community College Center
- Nepperhan Community Center, Inc.
- Rockland Housing Action Coalition Inc.(RHAC)
- Youth Construct

CPC STAFF GIVING BACK

On Earth Day, volunteers prepped a McCarren Park demonstration garden in Brooklyn for student visitors and built garden bed kits to be distributed to GrowNYC green spaces throughout New York City.

Staff members also joined our PACT Renaissance Collaborative partners to give out Thanksgiving turkeys and collect, wrap, and distribute holiday gifts for residents of the [1,718-unit New York City public housing portfolio that CPC and partners are renovating, managing, and preserving.](#)



Our PEOPLE

At CPC, our people are our greatest asset. In FY22, we invested in our vibrant culture by creating new opportunities for our team to grow, learn, and connect with each other, our mission, and the communities we serve. This work included a new employee mentorship program and an expanded internship program. The summer 2022 internship class was the largest and most diverse to date.

CPC is dedicated to creating a culture of belonging for all employees. As a continuation of the commitment we made in the summer of 2020 to examine and elevate our Diversity, Equity and Inclusion efforts, we partnered with an external consultant in FY 2022 to develop a new DEI strategy informed by feedback from our employees.

Our DEI Strategic Plan includes making investments in the culture that our employees want to have, developing inclusive leaders, and creating internal employee communities in which our diverse team members can feel connected to one another as well as the underrepresented communities that we serve. Looking ahead, we will invest in dedicated resources to execute on our strategic plan.

CPC TEAM

Our dynamic culture, successful business, and deep impact in communities are defined by our talented team and their commitment to advancing CPC's mission and living our values.



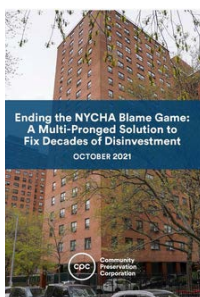
With education and outreach, CPC continues to foster the implementation of policies and programs that advance the idea that housing is central to transforming underserved neighborhoods into vibrant and thriving communities. Our policy team sets priorities at the federal, state, and local government level and works to realize our goals to promote social equity, diversity and sustainability within the housing industry.

Leading the Discourse on NYCHA:

CPC believes that The New York City Housing Authority's (NYCHA) public housing is a critical resource of deeply affordable housing and we stand as a partner to government in working towards solutions for the long-term preservation of NYCHA. We continue to speak out regarding the need to preserve the city's public housing stock, more than 70% of which is at least 50 years old.

IN FY 22

CPC published Ending the NYCHA Blame Game, a policy paper identifying three strategies for the long-term preservation of NYCHA's housing:



<https://bit.ly/end-nycha-blame-game>

- Public-private partnership in the form of Rental Assistance Demonstration (RAD)/PACT
- The Trust for Public Housing
- Federal infusion of Public Housing Capital Fund CPC published Ending the NYCHA Blame Game, a policy paper identifying the main strategies for the long-term preservation of NYCHA's housing.

IN JUNE 2022

a bill establishing The Trust for Public Housing passed the New York State Legislature and was signed into law by Governor Kathy Hochul, creating the first public process to preserve public housing in the nation. CPC continues to advance the dialogue on this and other investments into public housing infrastructure.



2022

FINANCIALS

CPC Consolidated Financial Highlights

Unaudited results for the 12 months ended June 30, 2022

cpc

Consolidated Financial Highlights

Net Assets	\$251,075,206
Revenues	\$17,736,413

Portfolios

Servicing Portfolio	\$3,731,000,000
Construction Loan Portfolio	\$1,369,924,880
Equity Portfolio	\$60,143,798

TOTAL ASSETS UNDER MANAGEMENT	\$ 5,161,068,678
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Looking ahead,

Thank you to our customers, partners, and talented team for a tremendous FY 22. In the year ahead, we look forward to meeting new challenges and embracing opportunities to make a positive impact in the communities we serve together.

Thank You



View the full CPC Annual Report:
communityp.com/2022annualreport

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