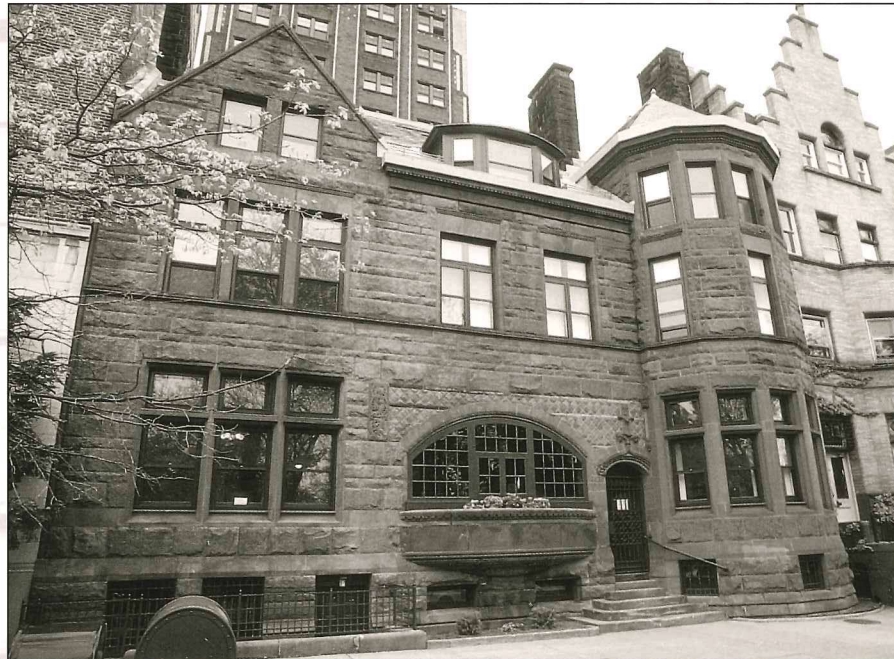
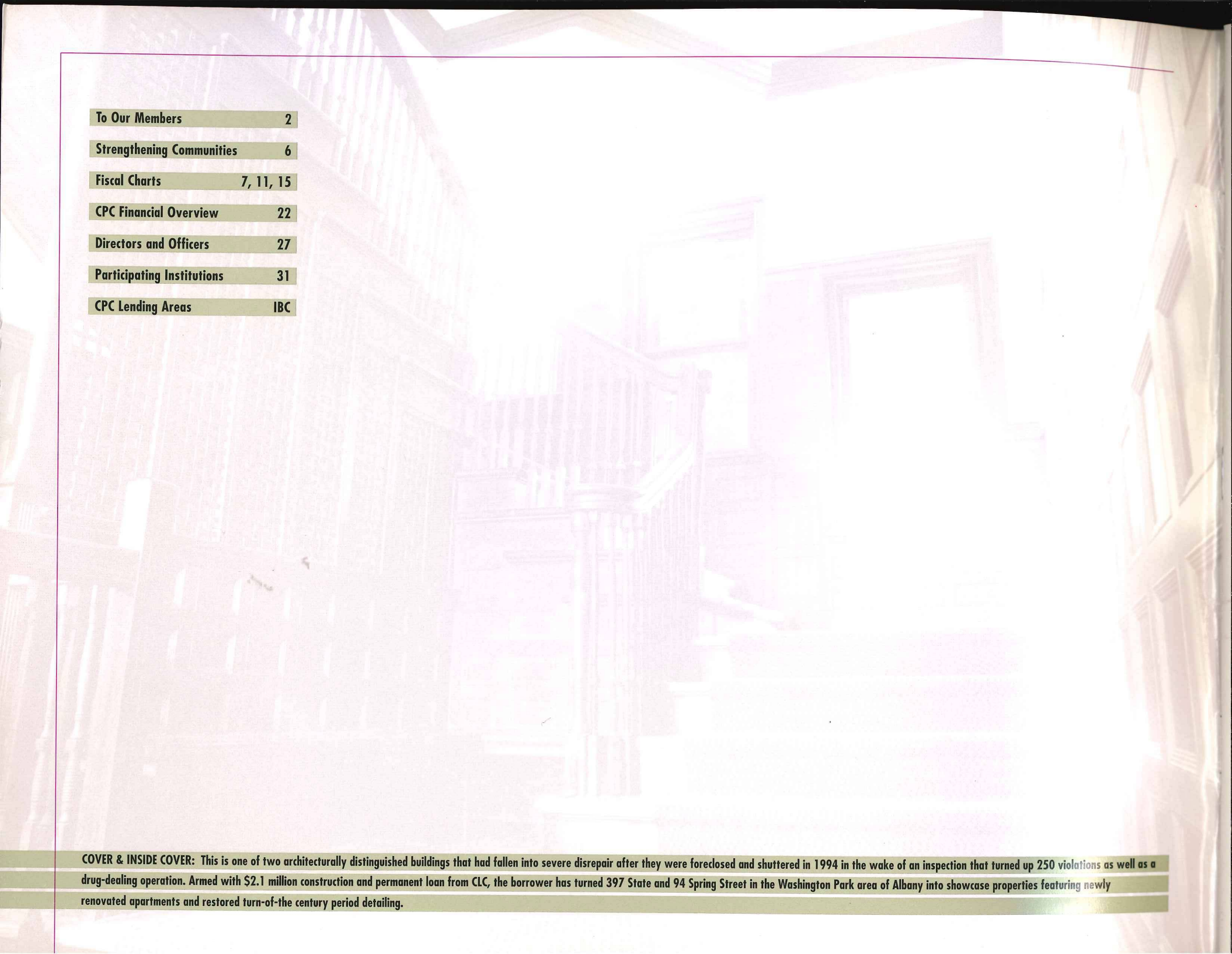


The **COMMUNITY  
PRESERVATION**  
Corporation



**1997** ANNUAL  
Report



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**COVER & INSIDE COVER:** This is one of two architecturally distinguished buildings that had fallen into severe disrepair after they were foreclosed and shuttered in 1994 in the wake of an inspection that turned up 250 violations as well as a drug-dealing operation. Armed with \$2.1 million construction and permanent loan from CLC, the borrower has turned 397 State and 94 Spring Street in the Washington Park area of Albany into showcase properties featuring newly renovated apartments and restored turn-of-the century period detailing.



# CPC

## Highlights

The Community Preservation Corporation (CPC) is a private not-for-profit mortgage lender specializing in the financing of low- and moderate-income housing throughout New York State. It was founded in 1974 out of the recognition that adequate and affordable housing is a crucial component in sustaining viable neighborhoods. The large-scale housing renewal undertaken by CPC over the past 23 years has resulted not only in the revival of individual buildings but also in the restoration and stabilization of entire neighborhoods and communities.

CPC makes construction and long-term loans to private and not-for-profit owners to create, rehabilitate and preserve both rental and privately owned residential properties. We assist communities to meet the housing needs of seniors, the disabled, and others. As well, CPC finances the construction and rehabilitation of commercial properties.

Ninety-four banking institutions and insurance companies currently sponsor CPC. The banks supply \$169 million for CPC's construction warehousing credit lines and provide \$207 million in commitments to buy long-term loans. City and state public employee pension funds provide similar long-term loan commitments (\$650 million) as do insurance companies (\$100 million).

CPC is a qualified seller/servicer for Freddie Mac and Fannie Mae.

From its inception in 1974, the company has worked closely with government to help shape policies that would attract needed private capital to low- and moderate-income communities. At the same time CPC has worked with the financial community to help marshal such funds.

Since its merger in 1995 with The Community Lending Corporation (CLC), CPC has generated substantial investments throughout New York State. CLC/CPC offices are located in Syracuse, Albany and Buffalo.

Our for-profit subsidiary, CPC Resources, Inc., is undertaking a range of initiatives — including property development and consulting. CPR's biggest challenge now is to orchestrate the proposed purchase of all the unsold shares of Parkchester Condominiums, the largest privately held housing development in New York, and the renovation of all 12,271 units.

CPC has financed the construction or rehabilitation of almost 55,000 housing units, representing a private and public investment of more than \$1.7 billion. As of November 1997, losses have been negligible.

## Fiscal Year Performance

Year ended June 30, 1997 unless otherwise stated

NEW CONSTRUCTION AND PERMANENT LOANS CLOSED (DOLLARS)	
CPC, Pension Funds (Permanent Loans Only)* & Other Private Funds	\$161,190,960
Public Funds	19,677,578
<b>Total</b>	<b>\$180,868,538</b>

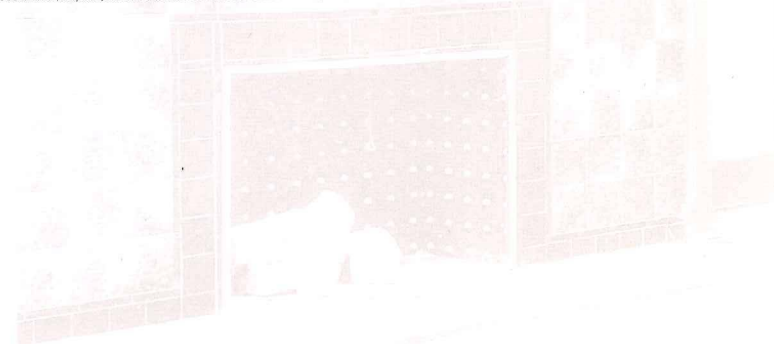
NEW CONSTRUCTION AND PERMANENT LOANS CLOSED (UNITS)			
Bronx	1,323	Staten Island	60
Brooklyn	884	Hudson Valley	1,109
Long Island	24	CLC Eastern Region	487
Manhattan	1,143	CLC Central Region	209
Queens	106	CLC Western Region	162
<b>Total</b>			<b>5,507</b>

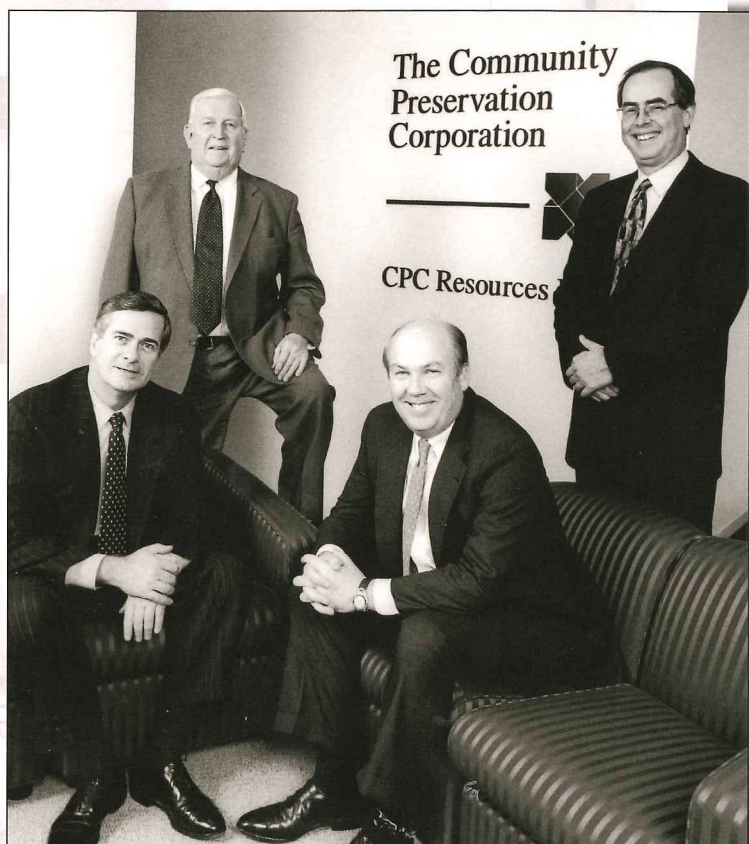
PERMANENT CONVERSIONS (DOLLARS)	
CPC, Pension Funds* & Other Private Funds	\$97,815,415
Public Funds	22,363,028
<b>Total</b>	<b>\$120,178,443</b>

LENDING RECORD 1974-1997**	
CPC Closed Loans (Dollars)	\$1,701,021,072
CPC Closed Loans (Units)	54,849

\*New York City Police Pension Fund, New York City Employees Retirement System, Teachers Retirement System of the City of New York, and New York State Common Retirement Fund.

\*\*Includes \$25,061,870 and 295 units of end loans, record as of June 30, 1997.





The Community  
Preservation  
Corporation

CPC Resources

## To Our MEMBERS

At the completion of our 24th year, The Community Preservation Corporation continues to be a leader in demonstrating how private capital can be used to preserve and rebuild our communities. The more than 55,000 housing units whose renovation and preservation we have financed have been at the core of the revival of many of New York's neighborhoods. The 5,000 units in Harlem and 7,000 units in the South Bronx have been at the heart of these communities' upgrading. The effects of our investment are now being felt in communities outside New York City. This is most notable in Yonkers, where we have upgraded almost 78% of the housing in the southwest section of the city. Our impending rebuilding of the moderate-income community of Parkchester, the 12,271-apartment condominium complex in the northeast Bronx, will be the latest example of our preservation efforts.

CPC's financing has also helped strengthen home ownership. Our program with the State of New York Mortgage Agency to help troubled cooperatives, for example, restored viability to more than 5,000 housing units and opened a vast resource for affordable home ownership.

In the past, many of CPC's efforts involved the linking of our private funds with government-funded programs. This has changed, however, with the substantial decline of public subsidies for low- and moderate-income housing. In the past year, for example, only 10 percent of the housing CPC financed was supported by government subsidies. This reduction has made it more difficult to invest in the lowest-income communities, where all too often the monies required to pay for sound housing are not available. Inadequate new financing not only slows existing redevelopment activities, but also endangers existing investments — there are fewer tools to upgrade deteriorating properties in the same neighborhoods.

In trying to maintain investment in lower-income communities, CPC has combined four approaches. First, we have sought to take advantage of market opportunities to finance the purchase of properties and/or their debt at the lowest possible price.

Second, CPC has sought to keep the price of development costs low through close monitoring of construction and other costs. Where subsidies are available, our goal is to use them as sparingly as possible.



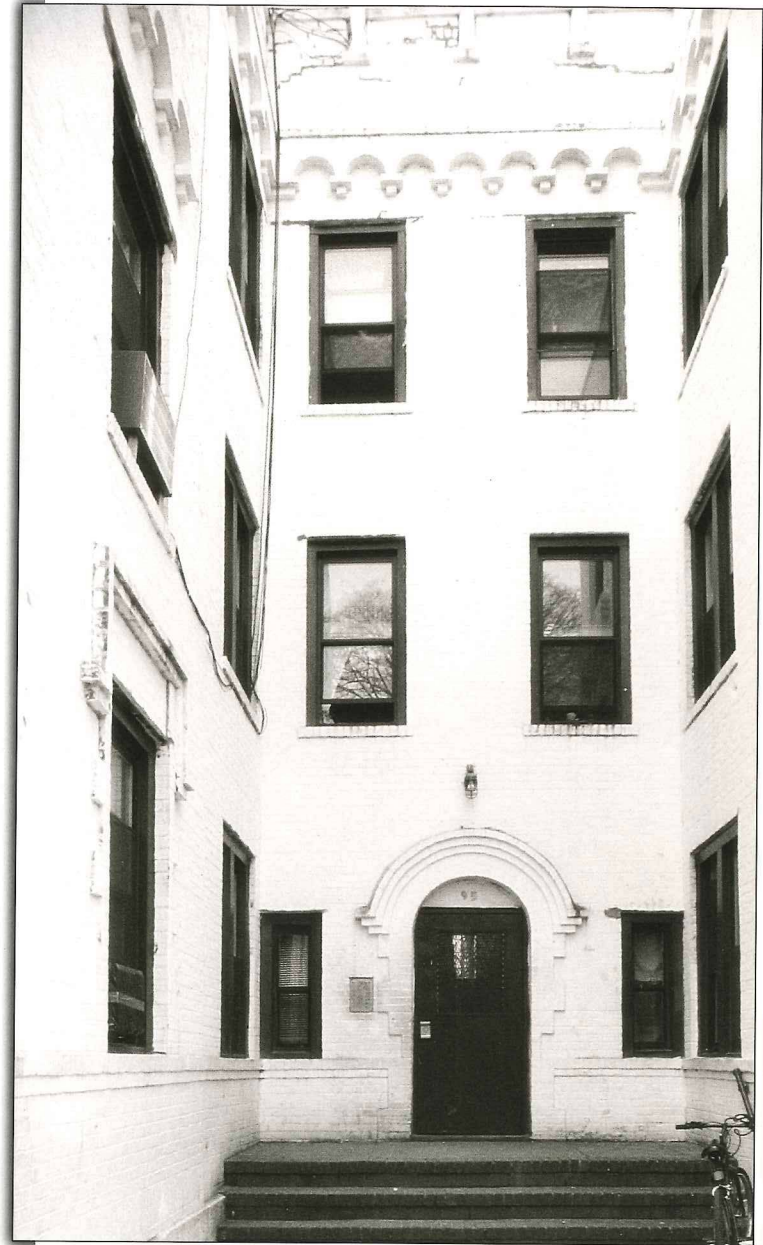
Third, CPC has worked with government to make the development process both simple and accessible. CPC has tried to create a one-stop shop that makes government supports, private financing and technical assistance available to the low-cost developer. Where this has occurred, there has been broad participation by small property owners in the redevelopment process. This approach worked in Washington Heights and Inwood in northern Manhattan, where an army of small property owners redeveloped over 10,000 units of deteriorated housing over a six-year period.

Finally, we have focused on the regulatory and economic backdrop for redevelopment activities in low-income communities. Here, our current concerns include the development of cost-effective lead paint abatement regulations that are compatible with the economic realities of affordable housing. Similarly, we have sought an equitable pricing system that reflects the large fixed-cost component of water and sewer pricing to prevent user charges from overwhelming low- and moderate-income housing.

Using these strategies, we have launched a variety of programs in the many communities to which we lend. In Buffalo we are working with the city government in a pilot program to upgrade small properties, and with the local Neighborhood Housing Services to fix up and sell small properties. In Syracuse and Rochester we are working on similar programs to repair deteriorated rental properties. We are also working with the Rural Housing Coalition, the Farmers Home Administration, and others to improve housing in smaller communities.

In New York City we hope to launch a new program to prevent owner abandonment of multifamily properties. Here we will work with the city to match city-foreclosed properties with new owners and a combination of public and private funds for renovation.

Next year we expect to expand our reach into New Jersey, focusing on the privately owned multifamily properties in the state's northern urban centers. By bringing them the same CPC-perfected techniques for upgrading properties that have been successful in New York, we hope to bring new private funds into the rebuilding of these areas.



The owner of 95 North Columbus Avenue in Freeport, Long Island invested substantially in improvements to the property. Joint permanent financing of \$625,000 arranged with CPC and Freddie Mac allowed for the upgrading of the electrical system in the 24-unit apartment building.





To support these efforts, we are constantly seeking new and better sources of funds. The coming year will see the renewal of our credit lines with our sponsoring banks. We are also working to make better use of our relationships with Freddie Mac and Fannie Mae. We are continuing to raise \$100 million of long-term debt to fund the commercial needs of our neighborhoods. Finally, the United Methodist Pension Fund has committed \$25 million in long-term financing to our lending efforts.

A key component in several of these credit sources is mortgage insurance. Our longstanding relationship with SONYMA's mortgage insurance program and New York City's Residential Mortgage Insurance Corporation program continue to be critical to our lending activities.

The expertise CPC has gained in preserving multifamily housing will be applied nationally in the coming year. Under the terms of a Congressionally authorized demonstration program, CPC will become a partner with the Department of Housing and Urban Development to assist in the restructuring of 24 properties around the country whose Section 8 rental

subsidy is expiring. Our goal will be to preserve the housing in a way that is both affordable to the community and, at the same time, reduces the use of federal subsidy. This demonstration program could prove to be crucial in laying the groundwork for the preservation of over 800,000 units of this type of federally subsidized housing — a crucial resource for the many communities where they are located.

This year we hope to expand the use of equity investments to serve our communities throughout the state. We look forward to starting renovation of Parkchester in early 1998, with completion in three to four years.

In addition, we anticipate creating joint ventures with local builders for renovation and new construction in several moderate-income areas. We will also be seeking opportunities to keep housing affordable through the purchase of defaulted properties and/or liens. Our approach in the latter is to use the benefits of a discounted purchase to assist in redeveloping troubled property.

**TOP:** A tax lien on 916, 920, 924, 928 and 935 Kelly Street in the Hunts Point section of the Bronx put the property in financial jeopardy. CPC's loan paid off the taxes, refinanced the existing debt, and is presently funding construction for needed repairs. **BOTTOM:** In the early 1980s, this renovated 1920s elementary school in the northeastern section of Schenectady was converted into 24 spacious apartments featuring 12-foot ceilings. The building fell on hard times but thanks to strong borrower initiative and a little help from CLC, the property has been revitalized. Franklin Apartments has been completely renovated and, with the aid of a \$375,000 permanent loan from CLC, is financially stable.



To support these equity initiatives, CPC will invest \$5 million of its surplus in its subsidiary, CPC Resources, Inc., as seed money to create a \$50 million equity pool. We expect many of CPC's sponsoring institutions to participate in this fund.

Preserving and rebuilding sustainable communities have been at the heart of CPC's mission. The effects of welfare reform and other changes in the safety net for low- and moderate-income households will challenge us to find new solutions to keep our neighborhoods healthy. Our ability to accomplish this depends, as always, on our partnership with government. That relationship has been fundamental to our success. We look forward to deepening it to meet the challenges ahead.

We would like to take this opportunity to thank Robert O. Lehrman, who will retire from our Board at our annual meeting, for his valuable service and support over the last 10 years.

New York, New York  
December 11, 1997



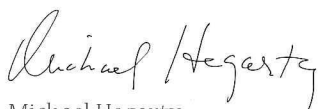
Jerome R. McDougal  
Chairman



Michael D. Lappin  
President & CEO



John A. Somers  
Vice Chairman



Michael Hegarty  
Chairman of the Executive Committee



**Coop owners in Executive Towers, a 24-story building in the Bronx neighborhood that the Yankees call home, refinanced their mortgage and received much needed funding for essential repairs to the building's facade, the complete overhaul of six elevators, and the replacement of all the windows. The financing by CPC was made possible with credit enhancement from SONYMA's Mortgage Insurance Fund.**





The Alhambra, at 500 Nostrand Avenue in the Bedford-Stuyvesant section of Brooklyn, is a registered landmark. Built in 1890, the historic building was designed by the respected turn-of-the-century architect Montrose Morris. It is undergoing renovation as part of the substantial investment being made in the renewal of the Bed-Stuy community. With construction financing from CPC and HPD, the Alhambra is being completely gut renovated and enhanced by the addition of new storefronts along the avenue.

From the beginning, the mission of The Community Preservation Corporation has been to strengthen low- and moderate-income communities by preserving affordable housing. Properties in such communities are often small. Owners are frequently “mom-and-pop” builders with limited resources. In some communities, non-profits with limited experience tend to be the major developers. Frequently the situation is further complicated by the need to bring in a variety of different funding sources, both public and private. Yet adequate, affordable housing is the foundation upon which communities are built. Good housing attracts families and working people as well as increased business investment.

Maintaining sound communities is a crucial tool in addressing crime, domestic violence, substance abuse and other seemingly intractable social problems. CPC is committed to preserving and creating affordable housing in the belief that a fundamental requirement of community is safe, decent shelter for every resident.

Over the past 23 years CPC has focused its main energy and resources on preservation efforts because maintaining and preserving existing housing is more cost effective and less disruptive than letting the property deteriorate. To date CPC has invested more than \$1.7 billion in the rebuilding and preservation of communities throughout New York State. Of the almost 55,000 housing units financed, most have undergone renovation while still habitable and occupied. For a modest per unit renovation cost, plus refinancing and/or acquisition costs, CPC has been able

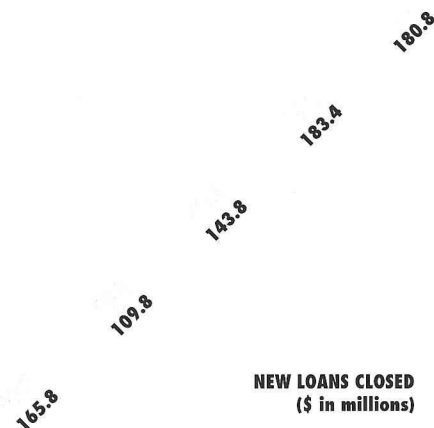


to extend the useful life of a building for generations to come while maintaining rents that are both affordable to tenants and economical to owners. This approach has generated more than 10,000 units of restored rental and coop housing in upper Manhattan, 13,000-plus units in the Bronx, and thousands of units in Crown Heights and other areas of Brooklyn. Thousands more units of coop and rental housing in Queens, the Hudson Valley and several upstate communities have been restored and are thriving.

While non-profits have done much to spur rebuilding efforts, private owners — who own the majority of housing in low- and moderate-income neighborhoods — are key to community improvement. Yet many of these owners lack the sophistication, organization, and/or financial strength required to obtain renovation financing on

their own. CPC works closely with them to create realistic and affordable financing by bringing together public assistance programs and private lending sources.

Although CPC lends in some of the poorest communities in New York, there have been virtually no losses on the \$1.7 billion dollars invested over the last 23 years.



**NEW LOANS CLOSED**  
(\$ in millions)

This six-story, 66-unit elevator building at 935 St. Nicholas Avenue in the Washington Heights section of Manhattan, the former residence of Duke Ellington, received permanent financing of \$1.03 million from CPC to refinance renovation costs originally undertaken by the borrower with private high-cost financing. The 30-year loan was then sold to Fannie Mae, a long-time partner of CPC in providing affordable housing, under the Joint Special Purchase Agreement.

## NEW YORK City

8

### Preventing Abandonment

CPC is putting its wealth of experience and expertise to work in helping to design a new program to preserve occupied housing and to restore neighborhood stability. The Anti-Abandonment Program is a product of recent legislation initiated by New York City's Department of Housing Preservation and Development (HPD) that is intended to prevent the abandonment of the city's "at risk" housing stock.

In the past, the city has taken title to thousands of residential buildings — both occupied and vacant — that were in tax arrears. The new legislation provides the city with two separate approaches to dealing with properties in arrears.

The first provides for the sale of tax liens on economically viable properties, thereby ensuring the continuity of private management in these buildings as well as the recoupment of monies owed the city.

In the case of other tax delinquent properties which are in poor physical condition, the program allows the city to foreclose on the present owners and simultaneously transfer these buildings to new private owners instead of taking title to the properties itself. CPC's role in the program will be to assess the scope of work required in selected properties, devise financing plans, and assist the city in selecting new owners pursuant to an RFP. CPC will provide financing for the renovation of these properties as well, thereby leveraging the city's subsidy dollars.

Properties included in the program may be located in any of the five boroughs of New York City. However, the initial offering will focus on buildings in Central Harlem, Central Brooklyn and the South Bronx.



**TOP:** The venerable home of Manganaro's Hero Boy at 492-494 Ninth Avenue in the heart of Clinton — the bustling west side Manhattan neighborhood currently enjoying a renaissance — is being completely renovated thanks to a \$1.235 million loan from CPC. The loan was provided in conjunction with the Department of Housing Preservation and Development under the New York City Participation Loan Program. **BOTTOM:** Several years ago structural problems forced the evacuation of 217 Mott Street in Manhattan's Chinatown. CPC and HPD provided construction and permanent financing under CPC's Small Building Loan Program for a complete gut rehabilitation. Additional funding came from a HOME grant.



## NEHEMIAH: AN UNUSUAL HOME OWNERSHIP INITIATIVE

**N**early 15 years ago, the leaders of the East Brooklyn Congregations (EBC), a broad-based community organization, and the staff of the Industrial Areas Foundation set out to bring East Brooklyn's devastated and abandoned neighborhoods back to life. Under EBC's Nehemiah Plan (named after the prophet who rebuilt Jerusalem), nearly 2,200 single-family homes in Brownsville and East New York have been built and sold since 1983. Now, with the help of CPC, 645 more new homes are under construction on the abandoned blocks west of Pennsylvania Avenue in East New York.

The new homes provide opportunities for ownership and equity to the vast group of working families which are currently priced out of the housing market by rising real estate prices. The Nehemiah homes will be sold to local families with annual incomes of \$20,000-\$40,000 (including some who formerly lived in public or Section 8 housing).

A major factor in its success is the public/private partnership that provided financing. An example is the no-interest revolving construction financing put together with contributions from the Lutheran Church Missouri Synod, the Roman Catholic Diocese of Brooklyn, St. Paul Community Baptist Church and East Brooklyn Congregations.

CPC is supplying a \$100,000 interest-free loan and a \$6 million construction loan. We will also provide construction loan administration for the funds and construction lender supervision. Two of our member banks, Independent Savings and Citibank, are providing no-interest funding as well.

With New York City subsidizing each unit for \$20,000 and donating the land, the buyer's cost is lowered. Below-market mortgage financing is being provided by the State of New York Mortgage Agency for individual home purchases.





### CityHome

A joint home ownership venture of CPC, the New York City Department of Housing Preservation and Development, and the NY/Enterprise CityHome HDHC, CityHome was created in 1991 to renovate the thousands of vacant and abandoned city-owned brownstones and townhouses in inner city neighborhoods. While CPC and HPD have been successful in renovating multiple dwellings, the hundreds of deteriorated townhouses and smaller buildings throughout New York City have posed a difficult problem. Some were converted into Single Room Occupancy residences, but many ended up being taken over by the city.

The partnership of HPD, CPC and Enterprise is providing a long-sought solution to this problem. At the same time it is helping to restore private home ownership to many of New York City's poorest communities.

CPC and HPD are the construction lenders on the project, with CPC serving as the construction loan administrator. Enterprise acts as the owner of the properties, hires the architect and works with a local non-profit to sell the building to private (and mostly first-time) owners.

The partnership also includes the Landmarks Conservancy, the Landmarks Preservation Commission, and lenders such as Republic National Bank of New York, Chase Manhattan Bank, The Dime Savings Bank, FSB and Fleet Bank, which give end loans.

**The CityHome program — a joint home ownership venture of CPC, HPD and the Enterprise Foundation — has been responsible for the renovation of over 200 townhouses and brownstones throughout New York City. This brownstone at 1142 Jackson Avenue in the Morrisania area of the Bronx is one of several hundred abandoned buildings that the public/private partnership will renovate and make available for purchase to community residents.**



The first round of CityHome consisted of 30 sites, 76 buildings and 218 units throughout New York City. CityHome II includes seven sites, 108 buildings and 284 units. CityHome III is currently under construction at five sites in Morrisania in the Bronx; East Harlem and Washington Heights in Manhattan; and Bedford Stuyvesant and Oceanhill/Bushwick in Brooklyn — with a total of 75 buildings and 169 units. It is anticipated that CityHome IV and V, currently in the pre-development stage, will consist of six sites, 83 buildings and 218 units.

### Parkchester Renaissance

Nearly 60 years old, the vast Parkchester complex in the northeast Bronx — home to some 40,000 people — is showing signs of age: the plumbing system is under increasing strain, the wiring is inadequate, and the steel casement windows no

longer serve as effective barriers against the weather. The challenge is to upgrade the property so that it remains viable for future generations and at the same time to keep costs to residents down so that they can afford to stay on. Given the importance of Parkchester — not only to those who live there but to the broader community — CPC is seeking to assume an ownership role in order to revive the complex.



3,393

2,944

4,442

7,244

5,507

APARTMENT UNITS FINANCED

TOP: Neighbors going home to Parkchester's cozy apartments. BOTTOM: Playgrounds abound in this family-friendly community.





Parkchester started out in 1939 as moderate-income rental housing that was eventually converted into two condominiums. Today, with nearly half of the 12,271 units sold, the other 6,362 apartments (along with five garages and 438,000 square feet of commercial space) are sponsor-owned. Last year CPC's subsidiary CPC Resources, Inc. (CPCR) entered into a contract to purchase all of the remaining sponsor interest in Parkchester. With these assets under one owner, it is expected that there will be sufficient collateral to secure the financing needed to rewire, upgrade the plumbing and replace the windows in every unit. CPC's member banks have responded favorably to requests for the funding needed to finance this renovation.

CPC's ability to undertake the proposed upgrade in an affordable manner will require an assortment of private funds, matched by public programs. A real estate tax incentive program now under consideration, for example, would serve to lower costs to all residents — tenants as well as owners. Meanwhile, CPC has requested that SONYMA provide insurance to help secure low-cost financing for the renovation.

The North Condominium and South Condominium boards are currently considering the proposal submitted to them last Spring by CPCR. Once approved by the boards, the proposal must be voted up by two-thirds of the unit owners in each condominium. The renovation, which is expected to take between three and four years, could begin early in 1998.



## HUDSON Valley

CPC has recently embarked on two large-scale rehabilitation efforts in the City of Newburgh designed to rehabilitate entire blocks of vacant buildings so as to achieve a comprehensive transformation of those neighborhoods.

CPC has provided construction financing for the gut renovation of 15 vacant three-story row houses on and near Lander Street in the city's East End Historic District. These private dollars are being combined with funds from several sources to create 31 family-size rental apartments. The New York State Housing Trust Fund is providing \$600,000; the Orange County HOME program is providing \$100,000 in community development funds; the Kingston-Newburgh Enterprise Community is providing \$100,000; the Federal Home Loan Bank is providing \$155,000; and \$2.2 million in equity from

the sale of historic and low-income housing tax credits is being provided through the Enterprise Foundation. A second phase of the project is planned which will include 13 additional buildings and three in-fill lots that, when completed, will contain 33 housing units.

Home ownership is often the basis of a community's stability. With this in mind, CPC completed its first home ownership initiative in the City of Newburgh on South Miller Street just a few blocks from Lander Street. Seven vacant city-owned buildings have been gut renovated to create six single-family homes and one two-family home. CPC provided construction financing in conjunction with a New York State Affordable Housing Corporation grant of \$200,000 and community development funds from Orange County, the City of Newburgh, Federal Home Loan



Just across from what had been George Washington's headquarters, 73 Liberty Street in Newburgh is right in the middle of American history. This four-unit property was financed with a permanent loan of \$81,000 under CPC's Small Building Loan Program, which features reduced fees and accelerated processing.



## NEW YORK State

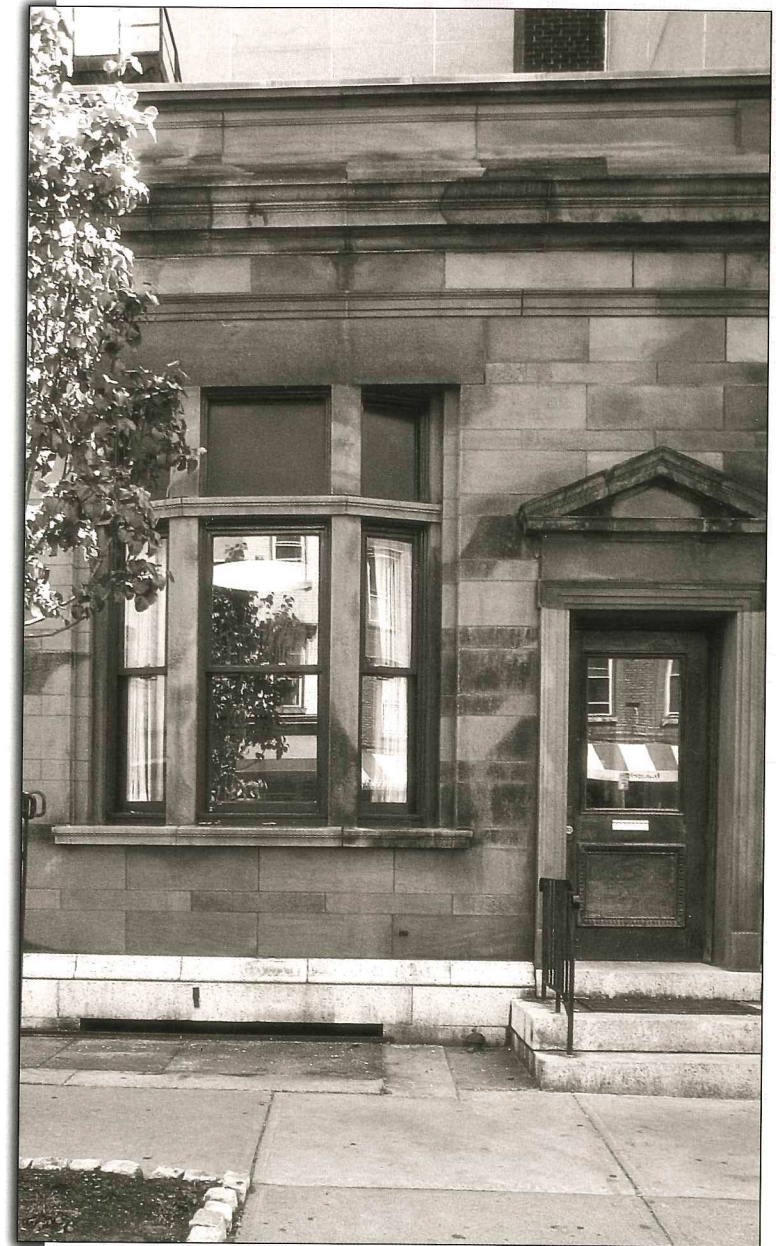
In 1995 CPC merged with the Community Lending Corporation (CLC), which had been incorporated five years earlier to make mortgage financing available to neighborhoods in upstate and western New York experiencing deterioration and/or disinvestment. With offices in Syracuse, Buffalo and Albany, CPC and its CLC division now serve the entire state of New York.

### Eastern Region

With few lending sources available for smaller projects, CLC has stepped in with an infrastructure and construction loan program to develop attached and detached homes. The program focuses on creating home ownership opportunities for low- and moderate-income families.

Many of the buildings in smaller cities, towns and villages do not command high enough rents to support a substantial rehabilitation. These buildings are also

unable to compete effectively for federal and state subsidies. Working with CLC, the New York State Rural Housing Coalition has submitted a grant proposal to the Federal Home Loan Bank for a revolving loan fund that would supplement CPC's Small Building Loan Program. The program is tailored to the needs of owners/investors whose buildings have no more than 20 units.



1,114

1,108

1,101

1,012

767

LOANS SERVICED

This mixed commercial and residential property at 196 Washington Avenue in the Center Square neighborhood in Albany was bought out of foreclosure and is being rehabilitated with construction and permanent financing from CPC. Apartments in the building will be affordable to families earning 50-65% of the Albany MSA median income.





Bank, Kaplan Foundation, and the Kingston-Newburgh Enterprise Community. The very affordable homes

are currently for sale at prices ranging from \$45,000 to \$59,500.

## I N V E S T I N G I N Y O N K E R S

**C**PC's commitment to the City of Yonkers has helped to stabilize the multifamily market in the southwest section of the city, revitalize vacant units, and return value to the Yonkers real estate market.

With the financing of 1,850-plus units in Yonkers, CPC's investment there comes to more than \$64.3 million. In CPC's target area of southwest Yonkers, the 1,401 units financed represent 7.8% of the area's total housing stock. According to U.S. Census data, 517 units in the southwest were vacant for more than six months in 1990. CPC dollars were used for the reconstruction of an estimated 62% (323) of these units.

CPC's strong partnership with the Yonkers Bureau of Community Development has supported much of the development completed to date and will be critical for CPC's efforts to help the city move forward with other redevelopment programs, including efforts to restore the waterfront district.

219 Bronx River Road, a 78-unit coop, has been maintained in excellent condition since it was built in 1929. CPC refinanced the first mortgage under its Preservation Financing for Cooperative Buildings program. SONYMA's credit enhancement makes this program possible.

The CLC division has developed an expedited process to provide construction loans for rural housing that makes use of existing Rural Development plan review and inspections, thereby eliminating the need to hire an engineer. Two loans have already been closed in the Central Region under this new process and many more are expected. Permanent loans will be provided by the Rural Housing 515 program and the New York State Housing Trust Fund.

The Syracuse office is also working with the City of Syracuse on a joint initiative that would use federal HOME funds in conjunction with CPC/CLC's Small Building Loan Program to finance small multifamily properties. With CLC providing 50% of the funding, this program will allow small developers to purchase and

rehabilitate vacant properties or to upgrade existing properties in target neighborhoods. The goal of this effort is to make decent, affordable housing available to low-income families in these communities.

### **Western Region**

The new University Home Ownership Program provides no-interest loans from Marine Midland Bank, a participating institution, and a revolving line of credit from CLC for rehabilitation. The Federal Home Loan Bank has provided an interest rate reduction subsidy, which Marine Midland uses to make low-rate end loans.



**121 Davis Street in Albany is being rehabilitated by the Association for Better Living. Like 302 Kellogg Street, the rehabilitation is part of CPC's efforts to work with the City of Syracuse and non-profit organizations to revitalize the near Westside neighborhood. CPC provided the permanent financing on both properties.**





CLC is currently taking part in discussions about how to expand the program to other districts in the city. Meanwhile, the housing department in Rochester is working with CLC and several not-for-profit companies in order to select a partner for delivery of a similarly structured program to targeted areas of the city.

Buffalo is also exploring the development of loft rental housing in its central business district, a creative new use for the great volume of above grade-level space left vacant by the departure of retailers for suburban malls. It is hoped that this approach will help to re-establish a residential community in the area and at the same time encourage the return of commercial retailers.

CLC and the City of Buffalo are in the final stages of negotiating an arrangement whereby CLC — acting as the underwriter — would use its dollars to leverage HOME funds for the rehabilitation of rental properties in the city. Such programs serve to expand the volume of funds available for these properties.

Ida Miller, the new owner of 72 Parkridge Avenue in Buffalo, with William Connors, CLC Western Region director, and Bruce Simmons, executive director, Kensington-Bailey Neighborhood Housing Services. CLC provided \$22,500 in construction financing for the property. This is one of the many homes purchased and rehabilitated under the city's University District Homeownership Program, which has 12 more homes lined up. The homes are being marketed by Kensington-Bailey Neighborhood Housing Services, a local nonprofit.

## The NATIONAL Picture

In Partnership With HUD

President Clinton recently signed into law an agreement to renew Section 8 housing subsidies. The new legislation has resolved what had been an impending crisis, one that Secretary of Housing and Urban Development Andrew Cuomo had made his top national priority. While agreeing to maintain this important affordable housing resource, however, Congress called for HUD to lower the cost of project-based subsidies, a form of Section 8 that supports more than one million families nationwide. To meet this demand, HUD developed Portfolio Reengineering, a program which focuses on properties in which Section 8 subsidizes rents higher than those charged by other buildings in the neighborhood. For the program to succeed, HUD will need to lower, or "mark-to-market," these higher rents while ensuring that the changes do not

lead to displacement of tenants or threaten the physical and financial health of the buildings themselves.

Given the challenges involved in balancing the goals of the new program, HUD sought the help of skilled non-profits that could combine the necessary financial expertise with a proven sensitivity to community needs. After a nationwide competition, CPC was chosen from among the leading non-profits that work on affordable housing to be HUD's first partner. The unique year-long partnership agreement was signed on September 29, 1997. Under the terms of the joint venture, CPC will initially restructure a portfolio of 24 properties around the country. In doing so CPC will have the opportunity to establish on a national scale the approaches we have developed in preserving neighborhoods throughout New York State.



**TOP:** The borrowers are in the midst of a moderate rehabilitation of 300 and 304 East 162nd Street in the Melrose section of the Bronx. A joint \$1.26 million loan from CPC and HPD through its Participation Loan Program — which also includes HUD Section 17 funds — completes the financial picture. **BOTTOM:** A permanent loan from CPC of \$900,000 put 631 Edgecombe Avenue in the Washington Heights section of Manhattan back on its financial feet. The developer, a long-time CPC borrower, used the loan to refinance the distressed six-story elevator building and to pay more than half a million dollars in back taxes.



## PUBLIC Policy & AFFORDABLE Housing

The economic and political links between government and the housing sector have changed markedly in the last decade.

Declining subsidy levels, driven by cuts in public budgets, have complicated the business of financing affordable housing.

Recent changes in federal welfare policy, for example, are likely to reduce assistance to many recipients; cuts in the federal Section 8 rental assistance program may further reduce tenant incomes. Over 100,000 New York households currently receive \$500 million from vouchers or certificates in private buildings. (An estimated 20% of tenants in CPC-financed rehabilitations depend on Section 8 vouchers or certificates.) The reduced cash flows in low- and moderate-income neighborhoods may affect their long-term economic viability.

Higher costs are placing further pressure on low- and moderate-income buildings in several forms. Lead paint remediation standards are under discussion in various legislative forums. The key challenge is balancing the health benefits of remediation strategies with the thin economics of the affected housing. The cost and availability of liability insurance for lead paint claims (a requirement if additional investment is needed for upgrading) exacerbate the problem.

Another example is water rates, which have tripled in New York City in the past 10 years. The cost burden may be compounded in low- and moderate-income areas if a usage-based billing system is enacted as a conservation strategy. Due to overcrowding, deteriorated plumbing and other factors, these communities use much more water than others. The result is that housing in these areas could be hit



The new shopping center at 750-754 St. Nicholas Avenue is a hit in its Harlem neighborhood. Financed with a loan of \$890,000 from CPC, the commercial strip contains a laundry, dry cleaner, nail salon, beauty parlor, restaurant, and a health and beauty aids store.

with bills at double or triple the amounts paid by the average consumer. However, charges based on usage distort the fact that a large portion of water system costs are independent of consumption. Debt costs on the system's capital infrastructure, for instance, comprise over 40% of annual costs. Bills tied wholly to usage could not only bankrupt low- and moderate-income buildings but, by reducing cash flows, eliminate the possibility of investment in conservation improvements such as replumbing. CPC and the city are working on ways to avoid this.

Real estate taxes in low- and moderate-income areas have risen at a faster rate than elsewhere in New York City by almost three times. This is due in part to the massive city investment in housing in the late 1980s and 1990s, which saved property values in formerly devastated

neighborhoods. Hardest hit by these increases are privately owned buildings adjacent to the public rebuilding efforts. The question for these buildings, as well as the publicly assisted properties, is whether their valuation for tax purposes will reflect the decline in income brought about by reduced government subsidies and increased costs due to water and other regulations.

Government strategies apart from subsidy can bring substantial benefits at low cost. Mortgage insurance by the state's SONYMA, for instance, enabled CPC to launch innovative financing to troubled coop buildings in New York City and elsewhere in New York State. This helped demonstrate the financial viabilities of lending in the coop sector, and led the way for conventional lenders to re-enter the market.



**24-28 Quincy Street in the Beechwood neighborhood of Rochester is a recently rehabilitated two and a half-story, four-family wood frame building. The property was acquired by the developer from HUD, and was rehabilitated as part of a joint effort by Housing Opportunities, Inc., the City of Rochester, Chase Manhattan Bank, the Greater Rochester Housing Partnership, the Urban League and Rochester Neighborhood Services to revitalize many of Rochester's neighborhoods. CLC is providing a permanent loan of \$50,000.**



# FINANCIAL Overview

The Community Preservation Corporation ("CPC") completed the fiscal year ended June 30, 1997 with an excess of revenues over expenses of approximately \$3.4 million. CPC's fund balance, primarily the result of accumulated reserves from all years, now totals approximately \$26.2 million. This financial stability enables an assertive pursuit of CPC's objectives:

- 1) It furnishes a reserve against possible losses on construction and permanent loans held in portfolio by CPC. CPC's construction and permanent loan balances were \$120.9 million and \$57.0 million, respectively, at fiscal year-end.
- 2) It satisfies the working capital requirement under the revolving credit agreement with CPC's members and supplies the mandated financial strength for CPC's continued eligibility as an FHA-approved lender.
- 3) It provides the minimum capital requirements for seller/servicer status for Fannie Mae and Freddie Mac.
- 4) It enables CPC to expand its range of services.

CPC has recently entered into a limited partnership agreement with the Department of Housing and Urban Development, which was formed to provide consultation services related to the restructuring of mortgages insured by the Federal Housing Administration. Additionally, CPC plans to open a new mortgage lending office in New Jersey during fiscal 1998. CPC's financial strength will support our continued expansion in providing services for the development, rehabilitation and preservation of affordable housing.

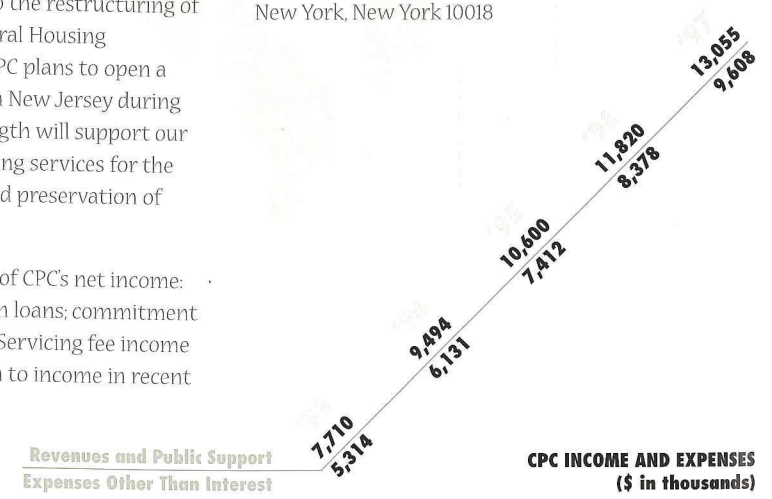
There are three major sources of CPC's net income: interest spread on construction loans; commitment fees; and servicing fee income. Servicing fee income has made a larger contribution to income in recent

years, largely reflecting cumulative portfolio growth from past originations. CPC serviced \$1.6 billion in mortgages by year-end for its own account and on behalf of participants, investors and other servicing clients.

Prospects for the future, while favorable, continue to be subject to fluctuations in several areas: cyclical economic trends including, in particular, employment trends for New York City residents and the rising government levies on housing, especially taxes and water/sewer billings; the supply of public subsidies, including entitlement programs for low-income households; and the efficient functioning of government agencies affecting rental housing.

A complete copy of the Corporation's Audited Financial Statement will be furnished upon written request. Written requests should be mailed to:

Eric P. Graap  
Treasurer & Chief Financial Officer  
The Community Preservation Corporation  
5 West 37th Street  
New York, New York 10018



CPC's Hudson Valley Region passed the \$150 million mark this Spring with financing for an unusual 68-unit residential development in the Village of Spring Valley. The project, Spring Valley Commons, contains the Educational Excellence for Children with Environmental Limitations (EEXCEL) Program. Launched in California, where it has had considerable success, EEXCEL combines quality rental housing for low- and moderate-income families with a tutorial/educational center for their school-age children that is located within the apartment complex.



## The Community Preservation Corporation and Subsidiary Consolidated Balance Sheets

June 30, 1997 and 1996

ASSETS	1997	1996
INVESTMENT IN FIRST MORTGAGE LOANS, net of participations, deferred		
commitment fees and allowance for possible investment losses:		
Construction loans	\$120,914,140	\$104,857,032
Permanent mortgage loans	57,035,717	53,749,676
Permanent mortgage loans—pledged under collateral trust notes payable	7,802,891	—
<b>Total</b>	<b>185,752,748</b>	<b>158,606,708</b>

CASH AND CASH EQUIVALENTS, including restricted funds of		
\$66,095,103 and \$69,789,581 in 1997 and 1996, respectively	74,196,529	81,061,572
ACCRUED INTEREST RECEIVABLE	1,358,389	1,438,540
OTHER RECEIVABLES	2,523,517	1,925,230
OTHER ASSETS, net	4,493,239	2,620,204
<b>Total Assets</b>	<b>\$268,324,422</b>	<b>\$245,652,254</b>

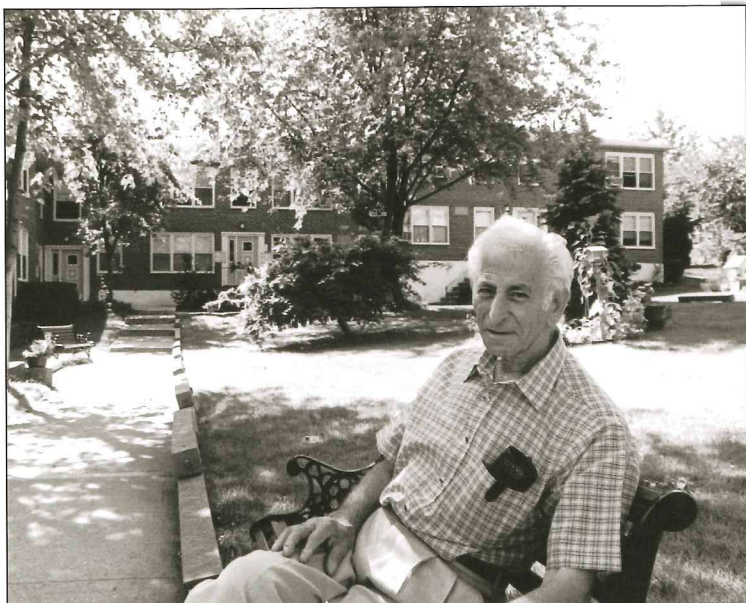
LIABILITIES AND FUND BALANCE	1997	1996
LIABILITIES:		
Notes Payable under revolving credit agreement—unsecured	\$115,164,000	\$97,899,063
Collateral trust notes payable	7,802,891	—
Accounts payable and accrued expenses	6,489,361	9,096,876
Participants' deposits	45,720,329	53,360,840
Escrow, deposits and other liabilities	66,931,563	62,525,890
	<b>242,108,144</b>	<b>222,882,669</b>

FUND BALANCE	26,216,278	22,769,585
<b>Total Liabilities and Fund Balance</b>	<b>\$268,324,422</b>	<b>\$245,652,254</b>



A young resident of 61-63 West 108th Street in Manhattan plays outside. The five-story buildings were completely gut renovated with a CPC loan of \$1.875 million.





**The Community Preservation Corporation and Subsidiary**  
**Consolidated Statements of Support, Revenues and Expenses and Changes in Fund Balance**

For the Years Ended June 30, 1997 and 1996

<b>REVENUES AND PUBLIC SUPPORT:</b>	<b>1997</b>	<b>1996</b>
Interest on first mortgage loans	\$16,838,095	\$16,341,884
Interest on pledged first mortgage loans	139,071	—
Servicing fee income	3,628,879	3,348,340
Interest on short-term investments	1,409,267	1,183,077
Commitment fees	270,356	281,028
Other revenues	1,013,467	361,196
Public Support	21,500	35,000
<b>Total revenues and public support</b>	<b>23,320,635</b>	<b>21,550,525</b>
<b>EXPENSES:</b>		
Interest expense	10,126,559	9,730,473
Interest expense on collateral trust notes payable	139,071	—
Employee compensation and benefits	5,180,873	4,378,950
Office expenses	1,122,177	1,060,183
Professional fees	688,845	877,114
Depreciation and amortization	833,996	534,191
Income tax expense	202,698	253,226
Other expenses	1,579,723	1,274,649
<b>Total expenses</b>	<b>19,873,942</b>	<b>18,108,786</b>
<b>Excess of revenues and public support over expenses</b>	<b>3,446,693</b>	<b>3,441,739</b>
<b>FUND BALANCE, beginning of year</b>	<b>22,769,585</b>	<b>19,327,846</b>
<b>FUND BALANCE, end of year</b>	<b>\$26,216,278</b>	<b>\$22,769,585</b>

475-85 Armstrong Avenue is a well maintained two-building coop of 59 units in the Eltingville section of Staten Island. The refinancing of the coop's mortgage will open up the possibility of end loans from CPC member banks.



## The Community Preservation Corporation and Subsidiary Consolidated Statements of Cash Flows

For the Years Ended June 30, 1997 and 1996

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	<b>1997</b>	<b>1996</b>
Excess of revenues and public support over expenses	\$3,446,693	\$3,441,739
Adjustments to reconcile excess of revenues and public support over expenses to net cash provided by operating activities—		
Depreciation and amortization	833,996	534,191
(Increase) decrease in accrued interest receivable	80,151	(75,827)
Increase in other receivables	(598,287)	(315,139)
(Increase) decrease in other assets	139,165	(243,584)
Increase (decrease) in accounts payable and accrued expenses	(2,607,515)	3,305,353
Net cash provided by operating activities	1,294,203	6,646,733
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
First mortgages originated	(133,952,870)	(139,764,561)
Repayments of first mortgage loans	16,597,537	29,994,973
First mortgage loans sold	90,209,292	102,748,537
Purchase of fixed assets	(1,624,303)	(559,989)
Increase in other assets	(1,221,893)	(253,049)
Net cash used in investing activities	(29,992,237)	(7,834,089)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Increase in notes payable under revolving credit agreement, net	17,264,937	6,481,997
Collateral trust notes issued	7,802,891	—
Decrease in participants' deposits	(7,640,510)	(9,432,639)
Increase in escrow, deposits and other liabilities	4,405,673	9,191,881
Net cash provided by financing activities	21,832,991	6,241,239
Net (decrease) increase in cash and cash equivalents	(6,865,043)	5,053,883
CASH AND CASH EQUIVALENTS, beginning of year	81,061,572	76,007,689
CASH AND CASH EQUIVALENTS, end of year	\$74,196,529	\$81,061,572



Suburban Cheektowaga, east of Buffalo, is a thriving community of home owners. Until recently, only one thing was missing — affordable housing to keep up with the community's rapid growth. The newly rehabilitated Linda Lane Apartments, consisting of 26 two and a half-story wood frame and brick buildings, will help fill this need. CLC provided a permanent loan of \$3.3 million to finance the property.



### Investment in First Mortgage Loans and Related Commitments

The following is a summary of closed first mortgage loans in which CPC has participated, as of June 30, 1997 and 1996 (000's omitted except for number of loans):

1997	CONSTRUCTION	PERMANENT	TOTAL
Number of loans	172	503	675
Funded Commitments:			
Total Funded balance, net of repayments	\$273,672	\$737,477	\$1,011,149
Less—			
Participants' interests	151,271	344,300	495,571
Mortgage loans sold	—	236,971	236,971
Mortgage loans pledged prior to December 31, 1996	—	91,186	91,186
Corporation's portion	122,401	65,020	187,421
Allowance for possible investment losses	(900)	—	(900)
Net deferred commitment fees	(587)	(181)	(768)
Investment in first mortgage loans	\$120,914	\$64,839	\$185,753

1996	CONSTRUCTION	PERMANENT	TOTAL
Number of loans	174	473	647
Funded commitments:			
Total funded balance, net of repayments	\$271,408	\$681,656	\$953,064
Less—			
Participants' interests	165,048	346,296	511,344
Mortgage loans sold	—	188,260	188,260
Mortgage loans pledged	—	93,043	93,043
Corporation's portion	106,360	54,057	160,417
Allowance for possible investment losses	(900)	—	(900)
Net deferred commitment fees	(603)	(307)	(910)
Investment in first mortgage loans	\$104,857	\$53,750	\$158,607

When the owners of Morgan Garden in the Town of Clay in Onondaga County needed to refinance their Federal Home Loan Mortgage Corporation loan, Freddie Mac — another of our longstanding partners in affordable housing — sent them to CPC. The owners subsequently received joint financing from CPC and Freddie Mac in the form of a \$1.2 million permanent loan for the 11-building, 109-unit complex.



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<sup>\*</sup>Resigned during 1996-97

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Michael D. Lappin  
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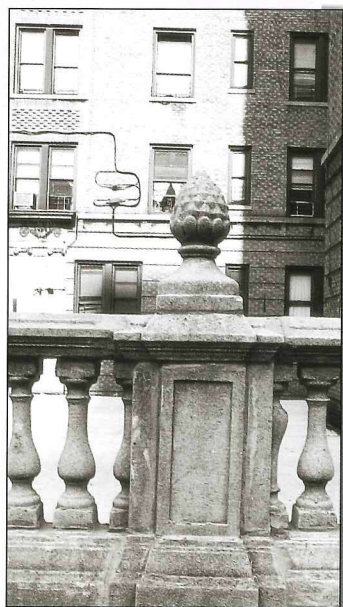
J. William Lempka  
*President & CEO, Ellenville National Bank*

Albert J. Picchi  
*Vice President & Senior Loan Officer, Cohoes Savings Bank*



When CPC started out 23 years ago, one of the first neighborhoods it targeted for preservation was the Washington Heights section of Manhattan. Now, under its Preservation Financing for Cooperative Buildings program, CPC is coming back uptown with the refinancing of 100 Bennett Avenue.





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\*Resigned during 1996-97

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*Vice President, First National Bank of the Hudson Valley*

Michael D. Lappin  
*President & CEO, The Community Preservation Corporation*

**TOP:** CPC is supplying construction financing for Phase II of the Broadway/Bushwick project in Brooklyn where 13 stores — taking up almost 21,000 square feet of commercial rental space — are going up on two previously vacant land sites along Broadway in Bushwick. **BOTTOM:** Fannie Mae and CPC have been partners in providing affordable housing since 1992. This 99-unit, six-story building at 1501 Undercliff Avenue in the University Heights section of the Bronx has been refinanced under CPC's Special Purchase Agreement with Fannie Mae for \$1.6 million.



## OFFICERS & Staff

**Bruce A. Lehnertz\***

*Director - New Investments, Teachers Insurance & Annuity Association*

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*Executive Vice President, The Dime Savings Bank of New York, FSB*

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*Vice President, The Chase Manhattan Bank*

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*Assistant Vice President, First Union National Bank*

**Andrew Zanotta**

*Vice President, Evergreen Bank, N.A.*

\*Resigned during 1996-97

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**John M. McCarthy, Executive Vice President & COO**

### Central Office

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**Rose Browne, Director of Single Family Lending**

**Shaun Donovan, Assistant Vice President**

**Kathleen A. Dunn, Senior Vice President**

**Eric P. Graap, Treasurer & Chief Financial Officer**

**Jack Greene, Senior Vice President**

**Richard A. Kumro, Vice President, General Counsel & Secretary**

**Dianna Look, Assistant Vice President**

**Dale F. McDonald, Senior Vice President**

**Paul Park, Controller**

**Susan M. Pollock, Vice President**

**Brenda Ratliff, Director of Communications**

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**Ben Carter, Mortgage Officer**

**Richard P. Conley, Vice President**

**Nancy Gonzalez, Assistant Mortgage Officer**

**Gunnel Rydstrom, Mortgage Officer**

**Reginald J. Spencer, Assistant Mortgage Officer**

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**Matt Donnelly, Assistant Mortgage Officer**

**Patricia Figueroa, Mortgage Analyst**

**Susan E. Foresta, Assistant Vice President**

**Justin Peyser, Vice President & Director of New Jersey Office**

**Anita Pins, Mortgage Officer**

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**Eileen M. Cronin, Assistant Mortgage Officer**

**Joseph Czajka, Community Preservation Officer**

**Sadie McKeown, Vice President**

**Douglas L. Olcott, Mortgage Officer**

### Long Island Office

**Todd E. Baker, Vice President, Director of Long Island Office**



**Devonwood Senior Houses in Warwick is a complex consisting of three separate two-story buildings where all the first-floor units are accessible to the disabled. Average rentals — approximately \$400-\$500 per month — are 20% below market rate. Construction was made possible by financing from Orange County, Low Income Housing Tax Credits, construction financing provided by KeyBank, a \$1.6 million permanent loan from CPC, and a PILOT (payment in lieu of taxes) by the Village and Town of Warwick.**



**CLC Division\*\***

Thomas P. McGrath, *Executive Vice President*

**CENTRAL REGION**

David S. Michel, *Vice President*

Tim Doyle, *Community Preservation Officer*

**EASTERN REGION**

Anders Tomson, *Vice President*

Anne T. Patnode, *Community Preservation Officer*

**WESTERN REGION**

William J. Connors, *Vice President*

Michael K. Clarke, *Mortgage Officer*

\*\*CLC is an unincorporated division of  
The Community Preservation Corporation.

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Robert O. Lehrman

Philip L. Milstein

John A. Somers

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Shaun Donovan, *Assistant Vice President*

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Richard A. Kumro, *Vice President & Secretary*

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Jack Greene, *Senior Vice President*

Dale F. McDonald, *Senior Vice President*

Carolyn Au, *Vice President*

Dianna Look, *Assistant Vice President*

\*\*\*CPC Resources, Inc. is a wholly owned subsidiary of  
The Community Preservation Corporation.

**Central**

5 West 37th Street  
New York, NY 10018  
(212) 869-5300

**Manhattan/Bronx**

3154 Albany Crescent  
Bronx, NY 10463  
(718) 601-6600

**Brooklyn/Queens/Staten Island**

One Metrotech Center, North  
Suite 1001  
Brooklyn, NY 11201  
(718) 522-3900

**Hudson Valley**

245 Saw Mill River Road  
Hawthorne, NY 10532  
(914) 747-2570

**Long Island**

6851 Jericho Turnpike  
Suite 230  
Syosset, NY 11791  
(516) 364-4800

**CLC Division**

**Central Region**

120 East Washington Street  
Syracuse, NY 13202  
(315) 476-3173

**Eastern Region**

39 North Pearl Street  
Floor 3  
Albany, NY 12207  
(518) 463-1776

**Western Region**

403 Main Street  
Suite 615  
Buffalo, NY 14203  
(716) 853-0266



These 20-unit terra cotta and brick turn-of-the-century walkups at 260-262 St. James Place in Brooklyn were gut rehabilitated in 1989. Now they are being refinanced with first and second mortgages provided by CPC and Fannie Mae.



## CPC Participating INSTITUTIONS

### Commercial Banks

Amalgamated Bank of New York  
Arab Bank plc  
Banco Popular de Puerto Rico  
The Bank of New York  
Bank of Tokyo-Mitsubishi Trust Company  
Bankers Trust Company  
Canadian Imperial Bank of Commerce  
The Chase Manhattan Bank  
Chinatrust Bank (U.S.A.)  
Citibank, N.A.  
European American Bank  
First National Bank of the Hudson Valley  
First Union National Bank  
Fleet Bank, National Association  
The Industrial Bank of Japan Trust Company  
Manufacturers and Traders Trust Company  
Marine Midland Bank, N.A.  
J.P. Morgan Community Development Corporation  
North Fork Bank  
Republic National Bank of New York  
Sterling National Bank  
United States Trust Company of New York  
Waterhouse National Bank

### Savings Institutions

Apple Bank for Savings  
Astoria Federal Savings & Loan Association  
Carver Federal Savings Bank  
The Dime Savings Bank of New York, FSB  
The Dime Savings Bank of Williamsburgh  
Emigrant Savings Bank  
Flushing Savings Bank, FSB  
GreenPoint Bank  
Home Federal Savings Bank  
Home Savings of America, FSB  
Independence Savings Bank  
Jamaica Savings Bank, FSB  
The Long Island Savings Bank, FSB  
MSB Bank  
Provident Bank  
Putnam County Savings Bank  
Queens County Savings Bank  
Rhinebeck Savings Bank  
Ridgewood Savings Bank  
Roosevelt Savings Bank  
Walden Savings Bank

### Insurance Companies

The Equitable Companies, Inc.  
The Guardian Life Insurance Company of America  
MetLife  
Mutual Life Insurance Company of New York  
New York Life Insurance Company  
Teachers Insurance & Annuity Association



Left to deteriorate, the Norcrest Garden Apartments complex in Catskill had been virtually abandoned (only four of its 26 apartments were rented) and was in foreclosure when it was purchased by one of CPC's long-time borrowers. With new management and construction financing of \$600,000 to renovate the apartments and replace the expensive electrical heating, the complex is now almost completely occupied.

## CLC Participating INSTITUTIONS

### Commercial Banks

The Adirondack Trust Company  
Ballston Spa National Bank  
BSB Bank & Trust Company  
The Canandaigua National Bank and Trust Company  
Cattaraugus County Bank  
Central National Bank of Canajoharie  
Champlain National Bank  
The Chase Manhattan Bank  
Chemung Canal Trust Company  
City National Bank & Trust Company  
Ellenville National Bank  
Evergreen Bank, N.A.  
First National Bank of Cortland  
The First National Bank of Jeffersonville  
First National Bank of Scotia  
First State Bank Canisteo, N.Y.  
Fleet Bank of New York  
Glens Falls National Bank and Trust Company  
The Herkimer County Trust Company  
KeyBank, National Association  
Marine Midland Bank, N.A.  
OnBank & Trust Company  
Saratoga National Bank & Trust Company  
Solvay Bank  
Tioga State Bank

### Savings Institutions

Amsterdam Savings Bank, FSB  
Canton Federal Savings & Loan Association  
Catskill Savings Bank  
Cohoes Savings Bank  
The Dime Savings Bank of New York, FSB  
Elmira Savings Bank, FSB  
Fairport Savings & Loan Association  
Fulton Savings Bank  
Greene County Savings Bank  
Hudson City Savings Institution  
Lake Shore Savings and Loan Association  
Lockport Savings Bank  
Maple City Savings and Loan Association  
Oswego City Savings Bank  
Pioneer Savings Bank  
Rochester Community Savings Bank  
Rome Savings Bank  
Savings Bank of the Finger Lakes, FSB  
The Savings Bank of Utica

### Additional INVESTORS

New York City Police Pension Fund  
New York City Employees Retirement System  
Teachers Retirement System of the City of New York  
New York State Common Retirement Fund

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**TOP:** Newburgh's Liberty Square Apartments: new, affordable townhouse-style housing, built to luxury specifications and offering superb views of the Hudson River, has risen from what had been a vacant garbage-strewn lot with the help of CPC's permanent loan of \$613,000. **BOTTOM:** These vacant Harlem buildings at 56 West 127th Street and 342 and 346 Lenox Avenue are being gut rehabilitated with joint financing from CPC and the Department of Housing Preservation and Development. When completed, the buildings will contain 30 units for low-income tenants. CPC and HPD have long been partners in rebuilding the community, jointly financing various projects throughout Harlem.







**Western Region**

Invested Funds \$5,614,500

Units 323

**Central Region**

Invested Funds \$8,045,000

Units 441

**Eastern Region**

Invested Funds \$16,237,000

Units 577

**Hudson Valley**

Invested Funds \$170,446,326

Units 4,828

**Long Island**

Invested Funds \$22,142,824

Units 399

**NEW YORK CITY****Bronx**

Invested Funds \$455,186,300

Units 14,525

**Brooklyn**

Invested Funds \$421,860,681

Units 12,227

**Manhattan**

Invested Funds \$505,311,440

Units 16,092

**Queens**

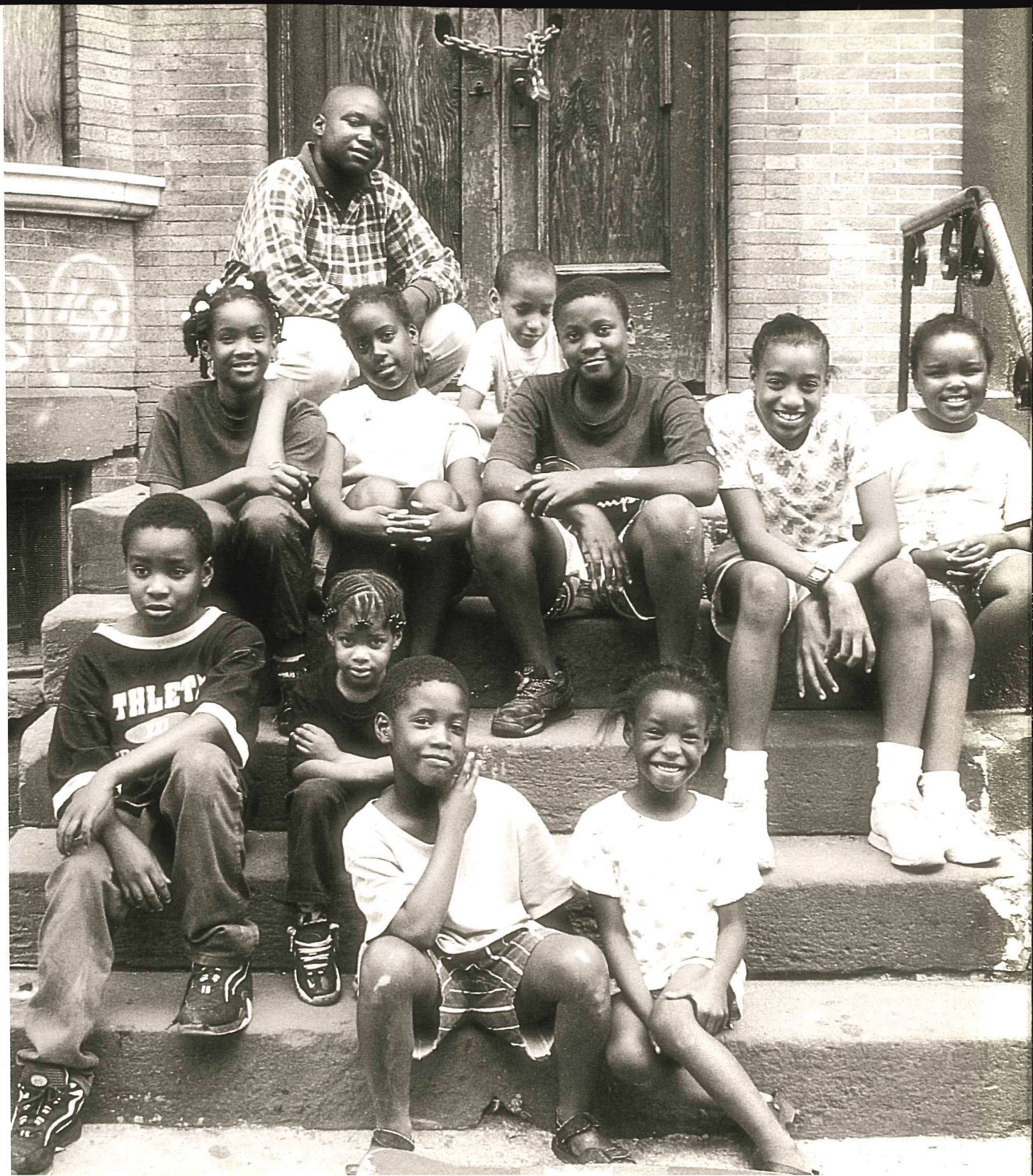
Invested Funds \$87,718,001

Units 5,112

**Staten Island**

Invested Funds \$8,459,000

Units 325







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