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Moreno of CPC arranges \$6 million Fannie Mae Multifamily loan

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Brandie Moreno, CPC

Manhattan, NY The Community Preservation Corp. (CPC), Project FIND, the Joint Ownership Entity New York City (JOE NYC), and the NYC Department of Housing Preservation and Development (HPD) have closed on a \$6 million Fannie Mae Multifamily Affordable Housing (MAH) loan to finance the rehabilitation and preservation of The Hargrave House, a 113-unit, affordable senior housing development located at 111 West 71st St. The financing will help pay for renovations and upgrades to the property, and because the project is being structured under HPD's Voluntary Inclusionary Housing (VIH) program, the units will be preserved as permanently affordable. The CPC MAH loan provided an expedited closing process and a product that is tailored to the complexities of the preservation of regulated affordable housing.

"Senior citizens are one of our fastest growing populations, and are often living on fixed-incomes that aren't keeping pace with the rising costs of living. This project ensures that the seniors at Hargrave House will continue to have housing that's affordable, safe, and provides the services they need to age in place gracefully," said Brandie Moreno, mortgage officer at CPC, who arranged the financing. "It was great to have a product like the Fannie Mae MAH that gave our borrowers the terms and process tailored to the unique requirements of subsidized, affordable housing projects. My thanks to HPD, Project FIND, and JOE NYC for their partnership and collaboration."

"Since the start of Housing New York, this administration has made senior housing a key priority. Senior housing construction has increased to unprecedented levels, and through projects like Hargrave House, we are also safeguarding the quality and affordability of existing senior housing at record pace," said HPD commissioner Louise Carroll. "Thanks to the Inclusionary Housing program, not only will these seniors see significant improvements to their residences, these 113 homes will remain affordable in perpetuity. Congratulations to CPC, JOE NYC, Project FIND, and all our partners for their commitment to ensuring that the residents who invested in our neighborhoods have the housing and sense of community they need and deserve."

"The VIH program will provide the basis to achieve many core organizational goals: permanent affordability, ample reserves to fund long term capital upgrades, and a future pool of resources to allow for deep rent skewing and new housing acquisitions. The team at CPC and HPD worked creatively and with diligence to structure a loan product and transaction that hit all of the right notes," said David Gillcrist, executive director, Project FIND.

111 West 71st Street - Manhattan, NY

"CPC and HPD have long been strong supporters of JOE NYC. Hargrave House is a unique property which provides much-needed affordable housing to seniors on Manhattan's Upper West Side. We commend Project FIND on completing this transaction and we look forward to working with David and his staff to ensure the long term affordability and quality of Hargrave," said Peter Madden, executive director, JOE NYC.

The project is being sponsored by partners Project FIND and JOE NYC. Project Find is a nonprofit

organization that provides low-, moderate-income, seniors, including homeless, with services and support. JOE NYC is a joint ownership and asset management initiative for non-profit community development corporations that own affordable housing assets in New York City.

The partnership has opted into HPD's VIH program, which allows the Hargrave House project to sell development rights in exchange for permanently extending the current affordability agreement with HPD that restricts the units to senior citizens at or below 80% of Area Median Income (AMI) (\$58,400 annual income for a single person). Project FIND has proposed to use the proceeds from the prospective sale of the density bonus to fund the long-term maintenance and operations of Hargrave House and support the organization's mission-based work.

CPC's \$6 million Fannie Mae MAH loan will finance Hargrave House's rehabilitation work, allowing the project to meet the VIH program's requirement that the partnership leverage private capital to fund the renovation work at the property. The scope of the renovation work will include elevator modernization, energy efficiency upgrades, façade work, and lobby upgrades.

As a non-profit housing finance company, CPC brings decades of experience working with nonprofit and community-based organizations like Project FIND to help provide stable, private capital as well as unique technical expertise in navigating the often complex financing structures of affordable housing programs. CPC and Project FIND also recently partnered on the Woodstock Hotel project. Similar to the Hargrave House structure, CPC is providing private capital to finance repairs of the affordable senior housing development, with the project opting into HPD's VIH program which will preserve the units as permanently affordable.

Hargrave House is a 13-story, affordable, age-restricted housing development with 113 units located above approximately 3,300 s/f of commercial space that houses a senior community center. Of the 113 units, 111 have been designated as permanently affordable Inclusionary Housing units; one is for the superintendent, and one is for the on-site social worker. The residents receive on-site social services, housekeeping, and access to a common laundry facility.

The property was constructed in 1913 as a neo-Renaissance style hotel and operated as a luxury hotel until the mid-1900s. In 1975, Project FIND developed the property under the Mitchell-Lama program which required the units to be restricted to persons 62 years of age and older with incomes less than 80 percent of AMI. In 2001, Project FIND received \$6 million from CPC and HPD to complete a \$3.5 million renovation program consisting of accessibility improvements, intercoms, boiler replacement, roof repairs, interior upgrades, exterior lighting, and other systems work.