



Mayor Bloomberg, CPC and Citi launch \$40 million storm recovery loan fund

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Mayor Michael Bloomberg, director of Housing Recovery Operations Brad Gair, N.Y.C. Dept. of Housing Preservation and Development commissioner Mathew Wambua, N.Y.C. Housing Development Corp. president Marc Jahr, The Community Preservation Corp. (CPC) president and CEO Rafael Cestero, and Citi Community Capital co-head Andrew Ditton have launched the Storm Recovery Loan Fund, a pilot program to provide up to \$40 million in low-cost loans to fund the repair of multifamily buildings damaged by Hurricane Sandy. Building owners can put the funds toward resiliency measures, like installing heating and electric plants that are repositioned to withstand the next storm by being located on higher floors and/or in waterproof compartments. This focus on mitigation will decrease the cost of recovery and reduce the destructive impact of future storms. The program will also promote green improvements that will conserve energy and save money over the long term. The new fund blends a subsidy from Housing Preservation and Development with CPC financing to provide loans that are below market rate, allowing owners to make needed repairs in the aftermath of Sandy.

"These loans will enable multifamily property owners to restore buildings to working order and allow hundreds of residents displaced by Sandy back in their homes," said Bloomberg. "The goal of the funding is not only to have these owners remediate hazardous conditions, but also to encourage them to make improvements that increase resiliency to climate-related events."

"Returning these buildings to safe conditions and protecting them from future damage benefits our residents immediately by returning them to their homes, and saves the city and taxpayers money in the long term," said deputy mayor for economic development Robert Steel. "The preservation and long-term health of our multifamily housing stock is vital to keeping N.Y.C. livable and sustainable."

"This fund will go a long way toward helping us fulfill our mission to return every resident displaced by Sandy to permanent housing, and it will have the added benefit of helping building owners rebuild stronger and smarter," said Housing Recovery Operations director Gair.

"It is critical that owners of multifamily buildings have the resources available to get back up and running as quickly as possible," said Wambua. "The Storm Recovery Loan Fund uses city resources to leverage private dollars at below market rates. We are grateful for the commitment our partners have shown in helping fellow New Yorkers rebuild after Sandy. CPC, Citi and HDC have partnered with us to lead this effort to develop financing programs that will help restore our housing stock. I am pleased to announce the launch of the Storm Recovery Loan Fund that will set building owners on the road to recovery."

"HDC's credit support has played an important role in bringing Citi's financial power to bear on behalf of CPC and the city's irreplaceable affordable housing stock. Creating this pilot program from this pool of funds to serve those who have been harmed by Hurricane Sandy is the best thing we

can do right now," Jahr said. "Together we are expanding the boundaries of what is possible and together is how we will make these transactions work for the owners, the tenants, as well as the long-term resiliency of these multifamily buildings."

HDC will provide a 10% first loss credit enhancement on construction loans financed through the program. In this pilot phase, the majority of applications for the Storm Recovery Loan Fund will be primarily for buildings between five and 45 units, although larger buildings will be considered. Applications are accepted on a rolling basis and funding is available both to repair storm damage and to mitigate the potential impact of future storms.

"Although Superstorm Sandy occurred almost two months ago, thousands of multifamily residents are unable to go home, or are living in apartments with significant storm damage. Building owners want to quickly repair and protect their buildings from future storms. CPC's core mission is to create sound rental housing for lower income families and to rebuild communities, so we are proud to be part of the City's rebuilding efforts," said Cestero. "The Storm Recovery Loan Fund makes it easier for multifamily building owners to access the capital needed to restore buildings to adequate living conditions and make them more sustainable for years to come. We are proud to work with our partners HPD, HDC, the NYC comptroller and Citi to help communities rebuild."

"Citi is proud to be part of this initiative to help rebuild the communities that were affected by this catastrophic event and we will continue to be an active participant in the ongoing recovery efforts," said Andrew Ditton, Co-Head of Citi Community Capital. "We are confident that the Storm Recovery Loan Fund will help provide a quick and efficient funding source throughout the rebuilding process." Both for-profit and not-for-profit owners of multifamily buildings in NYC are eligible to apply for the Storm Recovery Loan Fund. Loan proceeds may be used for repair work ranging from systems replacement and storm mitigation retrofits to gut rehab, where necessary. Storm Recovery Loans may have up to a 30-year term. CPC's portion of the loan will have a rate of 4.5%, and HPD's funds have an interest rate of 1%, for a blended rate below other conventional financing.

All projects must comply with HPD standard specifications and substantial rehab projects must achieve Enterprise Green Communities Certification. In keeping with NYC's Greener Greater Buildings Plan, all of the properties financed under this program will be benchmarked for energy usage and retrofit for energy savings will be included in their scopes of work. All buildings burning number 6 oil will be converted to comply with the City's Clean Heat initiative. In addition, gut rehabilitation projects must meet HPD's construction specifications and design guidelines.

Building owners who are interested in applying for the program should go to NYC.gov or call 311.