



CPC secures \$250 million in financing from CITI, HDC and HPD; For nearly 6,000 units of affordable housing

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The Community Preservation Corporation (CPC), a leading mortgage lender for multifamily affordable housing, has secured \$250 million in financing from Citi for the construction, rehabilitation and preservation of affordable housing in New York. The capital will help finance the creation or preservation of nearly 6,000 units of much-needed low and moderate-income housing throughout New York State, including the construction of approximately 3,000 affordable apartments in New York City. The partnership was created to help finance affordable housing developments that are not typically eligible for traditional financing, in part due to the severe physical and financial distress of buildings in underserved housing markets.

Of the \$250 million total, \$100 million will be set aside for the creation or preservation of affordable housing in NYC. For these projects, the New York City Department of Housing Preservation and Development (HPD) will provide supplemental construction and permanent financing and the New York City Housing Development Corporation (HDC) will provide 10% credit enhancement. The financing represents one of Citi's largest one-time investments in affordable housing.

This funding will help provide financing for Mayor Bloomberg's New Housing Marketplace Plan, a multi-billion dollar initiative to finance the creation and preservation of 165,000 units of affordable housing by the close of the 2014 fiscal year. The Plan's success is due in large measure to public-private partnerships where public funds have leveraged \$3.43 for every \$1 invested.

"This initiative will provide much needed capital for affordable housing in communities across New York City and State and reflects CPC's renewed focus on our core mission of creating sound rental housing for lower income families and rebuilding communities," said Rafael Cestero, president and CEO, The Community Preservation Corporation. "We thank our valuable partners Citi, HDC, HPD, and all of CPC's member institutions for their creative implementation of this partnership and look forward to many more years of successful, mission-driven lending in New York."

"We are proud of our affordable housing financing achievements and Citi is extremely pleased to support CPC on this very important initiative," said Andrew Ditton, co-head of Citi Community Capital. "This milestone underscores our commitment to responsible finance, and we will continue to play an active role in preserving and revitalizing the communities we serve."

This unique collaboration draws on the strengths of the participating institutions and brings together tools that allow for low-interest rate lending to developers of affordable housing. 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. All buildings burning number six oil will be converted to comply with the City's Clean Heat initiative.

"We are proud to put our resources and expertise into play, backing the investments made possible

by this credit facility," said HDC President Marc Jahr. "I thank CPC and Citi for their vision, commitment and leadership. They have consistently been great partners who share our aim to increase the quality and number of affordable housing opportunities for the people of the City of New York. We've made great strides, in part because in striving for this goal, we do not walk alone." "We have prompted the investment of more than \$21 billion for the preservation and construction of 144,700 affordable homes to date under our Mayor's housing plan, leveraging private and other investment at a rate of more than \$3 for every dollar we've put to work. It's obvious that the commitment of our private and non-profit partners is essential to the mission of protecting our tenants and stabilizing our neighborhoods," said HPD Commissioner Mathew Wambua. "The funding being made available by CPC and Citi is an example of that commitment at work. By bringing additional resources to finance affordable housing throughout the City our partners are helping to ensure that thousands hardworking New York families will have safe, decent, affordable homes."

The renovation of 539-541 East 147th St., an overleveraged property in the Bronx, is the first transaction to close under this new facility. The project includes two occupied 10-unit buildings owned by Workforce Housing Advisors (WFHA), a for-profit affordable housing development firm that specializes in preserving distressed multi-family real estate in the New York metropolitan area. Financing for this \$4 million project includes a \$1.59 million construction and permanent loan from CPC and Citi with HPD providing \$2.4 million in City Capital funds.

A portion of the \$250 million in financing will also support the Storm Recovery Loan Fund, a pilot program to provide up to \$40 million in low-cost loans to fund the repair of multi-family buildings damaged by Hurricane Sandy. Building owners can put the funds toward resiliency measures, like installing state-of-the-art 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 HPD with CPC financing to provide loans that are below market rate, allowing owners to make needed repairs in the aftermath of Sandy.