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Community Preservation Corp. raises over $700 million in capital

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New York, NY The Community Preservation Corp. (CPC) has over $700 million in capital available to lend and invest in affordable and workforce housing in N.Y. and the northeast U.S., as it continues to raise capital to support its nonprofit mission. It is clear that renters across the country are facing housing affordability and availability challenges which have continued to worsen over the course of the last decade.

CPC intends to work with its current public and private partners, and will identify new partnerships, where the company can leverage its considerable financial resources and expertise to address the unique housing needs of communities.

Over the last four fiscal years, CPC has executed on a business plan that has seen its lending volume average approximately $611 million per year, with its total assets having increased by 23%, to more than $1.2 billion. The company's available capital and exceptional financial strength allows CPC to work with borrowers, building owners, investors and government partners to continue to address some of the most pressing housing and community development challenges facing cities large and small.

"CPC has delivered more than $11 billion to finance housing that has helped transform underserved neighborhoods into thriving and vibrant places to live. Yet, the need for capital to address the complex issues of availability, affordability and housing quality that are facing our cities and towns is more critical than ever," said Rafael Cestero, president and CEO of CPC. "With this capital, we have the resources to define what CPC can and should be doing to expand our impact in neighborhoods for decades to come."

Unique among its peers in the nonprofit sector, CPC employs a self-sustaining business model with revenue generated through its mission-based neighborhood lending and equity investing platforms. Since its founding in 1974, the company has provided roughly $11 billion to finance more than 196,000 units of multifamily workforce and affordable housing in New York and the Northeast.

CPC is currently the largest community development financial institution (CDFI) solely dedicated to financing multifamily housing. The company has long worked in coordination with its government partners, New York State Housing and Community Renewal and the New York City Department of Housing Preservation and Development, to help craft key programs and to finance affordable housing projects that have transformed communities from the Bronx to Buffalo.

New York State Homes and Community Renewal (HCR) commissioner RuthAnne Visnauskas said, “Every day, HCR works hand-in-hand with trusted partners like CPC to deliver on a shared mission: to ensure that every New Yorker has the opportunity to be safely housed, near jobs, schools, public facilities, transportation and businesses. We could not carry out governor Cuomo’s historic $20 billion five-year, 100,000-unit housing plan without our private and public partners. CPC is an invaluable collaborator and an advocate for housing equity on behalf of New Yorkers. We congratulate them on this remarkable accomplishment.”

“Partnerships are the most valuable assets we have, and it’s only through thoughtful collaboration with our dedicated partners that we can continue meeting our goals under the Mayor’s Housing New York plan,” said NYC Department of Housing Preservation & Development (HPD) commissioner Louise Carroll. “I congratulate CPC for accomplishing this feat and thank them for being both an excellent ally to the City of New York and a strong advocate for the entire affordable housing industry.”

The affordability crisis is particularly acute in New York City, where CPC has financed 122,500 units of housing with an investment of more than $6.6 billion. According to U.S. Census data, roughly 50% of renter households in New York City are rent-burdened, paying more than 30% of their income towards rent. For low-income households, the outlook for finding safe, stable, and affordable homes is daunting. The vacancy rate in NYC for apartments renting below $800 per month stands at 1.15%. For families who can afford an apartment renting at $1,500 - $1,999, the vacancy is still only 4.11%.

Nationally, renter households across America are being squeezed by the same forces. With significant growth in the rental population outpacing unit production, vacancy rates are broadly down and cost-burdens continue to rise among most income groups. Between 2006 and 2016, the number of renter households grew from nearly 35 million to 43 million; an increase of over 23%. According to the Joint Center for Housing Studies (JCHS), annual construction should now be on the order of 1.5 million units, or about 260,000 higher than in 2018. According to the 2017 U.S. Census data, more than half of renter households in the U.S. are also rent-burdened, paying over 30% of their income in rent. JCHS data shows that the problem is particularly pronounced among low-income renters with 80% of renter households earning under $15,000 annually considered rent-burdened.