



CPC closes first two affordable housing projects through new small building PLP

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Yonkers, NY The Community Preservation Corporation (CPC) has closed the first two projects under the state's new Small Building Participation Loan Program (PLP). The financing package will provide the owners of small properties in Yonkers and Newburgh with the funding they need to rehabilitate and upgrade their buildings, and will ensure that the rents are affordable to residents. HCR's Small Building PLP is an affordable housing program that was created with small buildings in mind, and provides the financing, terms, and technical assistance that owners and operators need to be successful. To be eligible, buildings can be between 5 to 40 units and must be located outside of New York City. In exchange for keeping the apartments income-restricted to an average of not more than 80% of area median income (AMI), HCR will provide gap financing assistance for qualified developers for acquisition, capital costs and related soft costs associated with the preservation and improvement of small rental properties. Subsidy from HCR is combined with financing from a participating private institutional lender, such as CPC, resulting in a lower cost.

The owners of 78-80 Morningside Ave. in Yonkers are using the Small Building PLP to perform a complete gut renovation of the vacant four-story building. When complete, it will have eight, two-bedroom apartments with rents affordable to tenants earning not more than an average of 80% of AMI. HCR is providing a \$400,000 PLP loan and CPC is providing a \$980,000 construction loan and SONYMA-insured permanent loan financed through their partnership with the State's Common Retirement Fund (CRF).

The owners of 109 South William St. in Newburgh are using the PLP to finance the transformation of a three-story, 17,500 s/f warehouse into a mixed-use building with affordable apartments and commercial space. When construction is complete there will be nine rental apartments on the upper floor and ground-floor commercial space. Apartments will be affordable to residents earning not more than an average of 80% AMI. HCR is providing a \$450,000 PLP loan and CPC is providing a \$2 million construction loan and SONYMA-insured permanent loan financed through their partnership with the CRF.

"Small buildings are a cornerstone of our upstate communities. As a mission-based lender, CPC is committed to addressing the needs small building owners, and HCR's PLP fills a real need for this type of unique financing to help them preserve, repair, and stabilize their properties," said Rafael Cestero, CPC's president and CEO.

"As an affordable housing program, it also ensures that as a community grows, its residents will

have the peace of mind that comes with knowing their rent will be affordable and their buildings will have the resources needed to remain in good physical and financial health.”

HCR Commissioner RuthAnne Visnaukas said, “Across the state, small buildings with five to 40 apartments are an important source of affordable housing for New York’s families. HCR is excited that we can now offer owners of these properties flexible financial terms and resources to upgrade their buildings without raising rents through our Small Building Participation Loan Program. This unique tool allows HCR to do even more to further revitalization efforts in cities like Yonkers and Newburgh by beautifying neighborhoods, enhancing quality of life and keeping people safely housed in quality apartments they can afford. Thanks to Governor Cuomo, we can now make targeted investments in smaller rental properties as part of our larger strategy to improve New York’s communities.”

“The state pension fund is pleased to partner with CPC in financing these two projects,” said New York State Comptroller Thomas P. DiNapoli, trustee of the New York State Common Retirement Fund. “By investing in these apartments, we not only ensure a solid return for our members, but also benefit Yonkers and Newburgh. We are proud that the pension fund can play a role in revitalizing New York’s communities.”

As a nonprofit lender and the largest Community Development Financial Institution in the nation dedicated to financing multifamily housing, CPC helps their borrowers, partners and local governments meet their housing and revitalization challenges; leveraging their financial resources, unique expertise and partnerships to help create vibrant, thriving communities. Nearly 70 percent of CPC’s investments since its founding, totaling over 3,000 loans, have been in small building projects. Preserving small buildings, especially in areas outside of New York City where owners are recovering from the decades of economic disinvestment, is essential to the health and vibrancy of neighborhoods. As part of its mission, CPC is dedicated to supporting their borrowers in helping build stronger, thriving communities for their residents.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540