



Community Preservation Corp. expands to serve small multifamily buildings

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New York, NY The Community Preservation Corp. (CPC), has launched the new Flex Small Loan program. Earlier this year, CPC stepped up to partner with New York State to provide relief to small building owners experiencing financial hardship due to COVID-19. The new program, which includes both construction and permanent financing offering loans as low as \$100,000, was created to address the unique capital needs associated with the acquisition, development, and rehabilitation of small multifamily and mixed-use properties.

CPC has helped both New York State and City craft and administer their small affordable housing and small buildings disaster recovery programs. Last year, the company launched the “Start Small, a guide to financing small multifamily properties” as a straightforward tool that provides a roadmap to navigate financing for a small multifamily rental building, whether it’s for acquisition, refinance, rehab or new construction. And earlier this year, CPC was chosen by New York State to administer the New York Forward Loan Fund program to provide loans to small multifamily building owners who experienced a loss of rental income due to COVID-19.

“Small rental buildings are the backbone of our communities, and while they make up a majority of our housing stock, owners and operators of small buildings face unique challenges when it comes to finding right-sized financing,” said Sadie McKeown, EVP, construction lending & initiatives at CPC.

“CPC has spent more than four decades focusing on the impact small buildings have on communities, and tailoring our financing products to serve their unique needs. The Flex Small Loan program allows us to reach deeper and serve a segment of the multifamily stock that has historically been underserved.”

More than 70% of CPC’s investments since its founding have been in small building projects — buildings with five (5) to 49 units. That’s more than 3,000 loans to all types of borrowers. These include first-time owners who have been able to acquire or unexpectedly inherited a rental property; experienced general contractors or property managers who want to branch out; and local business owners who want to own their storefronts and convert additional space into rental housing units for extra income.

The new Flex Small Loan product redoubles CPC’s commitment to serving the often overlooked needs of small buildings and the company’s nonprofit mission of strengthening the communities they serve. Construction loans through the program can range from \$100,000 to \$2.5 million, with

permanent financing from as low as \$100,000 up to \$1 million. The financing can be used for construction, rehabilitation, acquisition, refinance, or a construction loan takeout of mixed-use rental housing. You can learn more about the terms and conditions of Flex Small Loan products on the CPC website.

Small multifamily buildings are a critical piece of the State's housing stock that serves millions of hardworking low-, moderate-, and middle-income New Yorkers. According to NY State, small landlords who own buildings with fewer than 50 units represent 72 percent of the total rental housing stock in New York State, with high concentrations in the outer boroughs of New York City, Long Island and in urban communities throughout each upstate region.

However, when there's a need to refinance to find the capital to make repairs and upgrades many owners discover that there's a significant shortage of products built to fit their unique needs. CPC's new Flex Small Loan product addresses this acute gap in the market and offers owners the financing solutions they need to keep their properties in good repair and sustainable over the long-term.

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