



## **KeyBank secures \$571 million for Conifer Realty and CPP to renovate Andrews Terrace**

January 30, 2024 - Front Section



Rochester, NY Conifer Realty, LLC (Conifer) and Community Preservation Partners (CPP) plan to renovate Andrews Terrace, a 526-apartment building complex on the city's waterfront for senior (62+) and disabled residents (and their families). This is the second joint community investment for Conifer and CPP in the city, following Keeler Park, which was purchased in October 2022.

Built in 1975, and located at 125 St. Paul St., Andrews Terrace consists of two 19- to 22-story elevator-served residential buildings containing 526 studio, one-, and two-bedroom apartments. The buildings are connected fully on the first floor, with elevated outdoor walkways throughout. In recent years, the development has faced capital repair and maintenance challenges beyond what the operating budget could cover. In response to this, Andrews Terrace will receive renovations estimated at \$101 million, with a total project investment of \$335 million.

KeyBank Community Development Lending and Investment (CDLI) in partnership with the Urban Investment Group (UIG) within Goldman Sachs Asset Management, invested \$135.6 million of 4% Federal LIHTC Equity and provided a \$200 million construction loan. Additionally, KeyBank Commercial Mortgage Group closed \$73.1 million Fannie MTEB and KeyBanc Capital Markets underwrote \$163 million of tax-exempt bonds for this project. Federal and State Historic Tax Credit equity of \$37.2 million will be provided by Chase Community Equity.

"We are excited to partner with Conifer Realty and Community Preservation Partners to revitalize Andrews Terrace, which provides a critical supply of affordable housing to downtown Rochester. Our investment will help existing and new residents access safe, affordable housing and critical

on-site services. We look forward to the lasting impact on the community of this next chapter in Andrews Terrace's nearly 50-year history," said Scott Maxfield, a managing director in the urban investment group within Goldman Sachs Asset Management.

"KeyBank has had a steadfast commitment helping the clients and communities we serve thrive," said Rob Likes, national manager of KeyBank's CDLI team. "We are deeply committed to helping underserved populations and are proud to partner with Conifer Realty and Community Preservation Partners to renovate, safe and decent affordable housing for seniors and disabled residents."

Preservation of this 557,602 s/f downtown development, designed in the "brutalist" architectural style, will complement the city's ROC the Riverway Program, a unified plan which includes dozens of transformational projects along the Genesee River.

"We are thrilled to partner with Community Preservation Partners on the revitalization of Andrews Terrace, a cherished affordable housing community here in our hometown," said Jason Carroll, senior vice president of acquisitions & development at Conifer.

"This collaboration exemplifies our commitment to providing quality affordable housing and fostering sustainable neighborhoods that enhance the Rochester community. Together with CPP, we look forward to preserving the legacy of Andrews Terrace and creating an even brighter future for its residents."

All apartments will receive considerable kitchen upgrades including new countertops, painting, new appliances, fixtures, and cabinets. Bathrooms will also be refurbished with the installation of new fixtures, vanity, and wainscotting. Once completed, 5% of the community's apartments will be brought into ADA compliance.

Common areas, including the lobby, community room, management office, maintenance shop, and parking garage, will be renovated with drywall repairs, painting, new flooring, and HVAC upgrades, as needed.

There will also be several new outdoor additions to the community including a community garden on the property's terrace, grandparents' playground, a seating and grilling area, and bocce ball courts. Indoor amenities will include a fitness room, game room, reading nook, and two community rooms with serve-in kitchens. New mailboxes with parcel boxes will also be installed.

Additionally, elevators and electrical and plumbing systems will be upgraded. The building's signature cantilevered balconies and connecting outdoor breezeways will be fully restored and upgraded with new finish coating, bringing them back to their historical glory. Windows and select doors will be replaced, and the façade will receive concrete and masonry repairs.

"Like many communities we serve across the nation, there is a significant need for affordable housing in Rochester," said vice president of CPP East, John Fraser. "So, it's incredibly satisfying to preserve this iconic affordable housing development for years to come. Andrews Terrace is a

landmark and an important part of the community.”

Under an existing Housing Assistance Payment (HAP) contract Andrews Terrace has 496 of its apartments reserved for residents earning an Average Medium Income (AMI) of 50% or less, with 30 apartments set at 60% or less of AMI.

The transaction, which closed on December 21, 2023, includes a 20-year renewal to the Project-Based Section-8 contract from HUD, as well as a new 4% Low Income Housing Tax Credits (LIHTC) from the New York State Division of Housing and Community Renewal (NYSHCR), federal Historic Tax Credits (HTC) from the National Park Service, tax-exempt bonds issued by COMIDA (the County of Monroe Industrial Development Agency), and New York State Historic Tax Credits from the New York State Historic Preservation Office (SHPO).

“Renovations are scheduled to take 32 months to complete, with minimal impact to residents expected,” said Ari Shachter, director of acquisitions and project lead for Conifer.

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