



2023 NUMBER ONE

IMPACT REPORT

The Community Preservation Corporation (CPC) uses its unique expertise in housing finance and public policy to stabilize and revitalize underserved communities. With a flexible and diverse toolbox across lending, investing, and technical assistance, CPC is making an impact within the three pillars of our mission. Over the past three years, 94 percent of CPC’s lending and investing has supported these three priority impact areas.

EXPANDING AFFORDABLE HOUSING

Working to ensure that more people have quality, affordable places to call home.



1.1 M

People Housed

CLOSING THE RACIAL WEALTH GAP

Investing in closing the racial wealth gap and in equitable community development.



\$440M

Invested in BIPOC Developer-Led Projects

INVESTING IN THE GREEN ECONOMY

Committing to and expanding investment in sustainable housing.



10,600

Sustainable Units Financed

Our Commitment to Closing the Racial Wealth Gap: Video Spotlight on CPC ACCESS



CPC launched the CPC ACCESS (Acquiring Capital and Capacity for Economic Stability and Sustainability) initiative in 2020. With strong support across all levels of the company, CPC ACCESS has allowed CPC to focus on empowering BIPOC developers and deploying more capital to the people and places who need it most. Since 2020, the \$40 million of CPC’s balance sheet capital committed to this effort has leveraged more than \$378 million dollars invested in BIPOC developer-led projects.

AFFORDABLE HOMEOWNERSHIP OPPORTUNITIES FOR BIPOC HOUSEHOLDS

The Legacy Cities Access program with New York State Homes and Community Renewal (HCR) is supporting Minority and Women-Owned Business Enterprise (M/WBE) developers and creating affordable homeownership opportunities, with a focus on first-time homebuyers and BIPOC households.

The first project to close under this program will revitalize four vacant single-family properties in Kingston. The Kingston City Land Bank will rehabilitate the properties in partnership with Maeda Construction, a Certified MWBE General Contracting firm, and the move-in ready homes will be sold to income-eligible buyers, specifically first-time homebuyers and households of color.

The scope of work includes upgrades to structural, plumbing, and electrical systems, as well as new kitchens, baths, roofs, flooring, windows and doors and asbestos abatement. The homes will receive efficiency upgrades including insulation, Energy Star windows and appliances, and high efficiency electric mini-split systems for heating and cooling.

Financing for the project included \$867,000 in construction funding from CPC and \$600,000 from HCR.

Legacy City ACCESS is a partnership between New York State HCR and The Community Preservation Corporation. CPC is providing construction financing and technical assistance to the developers for all the Legacy City ACCESS projects through the ACCESS program, an initiative that provides financial resources and capacity-building support to real estate entrepreneurs of color who have historically faced barriers to entry in the development industry.

The Legacy City ACCESS program is available in communities north of New York City that are addressing blight through redevelopment of municipally owned property. The properties must be located in disadvantaged communities, and where there exists a legacy of historical disparities in homeownership access for households of color.



CPC President Sadie McKeown joined New York State Homes and Community Renewal Commissioner Ruthanne Visnauskus and project partners to celebrate the groundbreaking of the first Legacy Cities ACCESS project.

ACQUISITION AND PRESERVATION OF 1,370-UNIT AFFORDABLE RENTAL PORTFOLIO IN MICHIGAN

CPC Mortgage Company worked with Ginosko Development Company (GDC), a minority-owned firm, and L+M Development Partners (L+M) on this \$105.7 million transaction to advance the organizations' shared goals of preserving and expanding access to affordable housing. To support the acquisition and preservation of this 1,370-unit portfolio of affordable rental buildings, CPC Mortgage Company provided a total of \$97.6 million in first mortgage financing through Freddie Mac's Targeted Affordable Housing (TAH) product, along with \$8.1 million of CPC subordinate debt on three of the properties.

A partnership between owners GDC and L+M will help preserve the long-term affordability and quality of the properties, which are located in the cities of Detroit, Saginaw, Walker, Center Line, Monroe, Canton, and Pontiac.

This acquisition underscores the commitment of the GDC, L+M and CPC Mortgage Company to addressing the housing needs of underserved communities, as well as the long-term preservation of affordability for low- and moderate-income tenants. All of the properties are affordable to households earning 60% of Area Median Income or below. The portfolio will undergo moderate rehabilitation to address long-term maintenance needs, so that it continues to provide quality housing to residents.



EQUITY INVESTMENT IN NATIONAL NETWORK OF EMERGING DEVELOPERS: SHIFT CATALYST FUND

CPC recently made a \$5 million equity investment in SHIFT Capital, a leading impact real estate investor based in Philadelphia, PA. The SHIFT Catalyst Fund supports underrepresented impact real estate developers who are investing in economic development and affordable housing in underserved neighborhoods across the country.

Entry into the real estate development industry has been extremely challenging for emerging developers. It is exponentially more so for rising Black and minority real estate entrepreneurs due to entrenched systemic barriers around access to capital at all stages of the development process. The Catalyst Fund aims to break down these barriers by investing in developers looking to deliver neighborhood revitalizing projects, and who wish to grow their business infrastructure to continually affect positive changes in their communities.

CPC's equity investment injects critical dollars into the Catalyst Fund, and specifically focuses on developers who are committed to the creation and preservation of high-quality affordable housing, and will initially be deployed in Ithaca NY, National City CA, Newark NJ, Philadelphia PA, and Washington DC. "CPC has a long history of investing in impactful projects and we're excited to have them as a partner in this initiative. Their investment will enable us to create positive generational change for communities, for minority real estate entrepreneurs, and for the entire industry. Especially during a difficult time in the real estate industry, their investment allows much-needed community-serving projects to move forward and provides a leveling of the playing field for minority developers."

– Nancy Gephart, *SHIFT Capital Partner and President of Capital Markets*



SPOTLIGHT ON CPC ACCESS INCUBATOR:

ABOUT THE INCUBATOR TRAINING SERIES

Understanding that black and indigenous people of color (BIPOC) entrepreneurs continue to face barriers to not only the capital but also the technical knowledge and professional networks that are needed to achieve success in real estate development, CPC created the ACCESS Incubator to empower emerging developers to succeed.

The virtual training series includes several modules focused on each step of the development process, including project selection, sustainable building practices, closing a construction loan, the construction loan requisition process and converting a construction to a permanent loan. Educational partner Marcus J. Brooks of Let's Brainstorm, LLC leads instruction, with guest speakers from CPC's legal, sustainability, closing, insurance and closing departments as well as external legal and title experts.

DEVELOPMENT TEAM ASSISTANCE OFFERED BY CPC

In addition to group instruction, CPC ACCESS offers individual project development support for BIPOC developers, including scope of work, plan review, cost analysis, sources and uses analysis, credit analysis and construction. Participants with real estate projects in progress are invited to discuss challenges, specific technical questions, and share experiences throughout the training.



Trainee Testimonial

Hear a firsthand perspective on the benefits of the training series from a graduate of the first ACCESS Incubator training cohort.

“It was an opportunity to interact with others who have the same aspirations. It was an opportunity to learn from people who actually do this on a day-to-day basis...I can't wait to kick my project off, because not only did I learn a lot, but I've got a ton of people that I can rely on to help get me through.”

- Derrick Hostler, ACCESS Incubator Graduate

IMPACT TO DATE

Since launching the Incubator program in March 2022:

- 3 Incubator Training Cohorts Completed
- 100+ Current and Graduated Trainees

A REAL ESTATE ENTREPRENEUR'S FIRST MULTIFAMILY GUT RENOVATION

- **\$480,000 CPC Construction Loan**
- **Technical Assistance through CPC ACCESS**

Terrioma Stephenson successfully transformed a three-story walk-up building located in the Prospect Park/RPI area of Troy. The 1900s-era building now offers four newly renovated apartments to the community, which has recently seen an increase in development and demand for housing and is within walking distance of Russell Sage College, Washington Park and Prospect Park. Dedicated and responsible small building owners like Ms. Stephenson play a critical role in neighborhoods across the United States; one building at a time, projects like this one create stability and economic opportunities for individuals and families who rely on rental housing.



Meet the Developer: Success Story



Born and raised in the Capital Region, Terrioma “Terri” Stephenson currently owns a two-family building as well as a daycare business in Brooklyn, NY. Ms. Stephenson took on her first multifamily renovation project while working to relocate her family and her business to Latham, New York. After purchasing the property from the Troy Land Bank, she pursued construction financing and was turned away by multiple banks, due to low appraisal values. Terrioma found CPC and the ACCESS team and was able to leverage the DSC/LTV to get the deal to closing. The project is now completed and almost fully rented. The successful, high

quality renovation has achieved rents beyond CPC’s original, conservative underwriting. At conversion, Ms. Stephenson will be able to access more proceeds from the project, and looks forward to taking on more development projects in Troy.

Addressing the Racial Wealth Gap through a Policy Lens: Two Position Papers from the ACCESS Advisory Council

CPC assembled an Advisory Council of leading industry professionals to support the important work of CPC ACCESS. The Advisory Council has undertaken research to better understand and recommend solutions for the roadblocks that emerging BIPOC developers face as they break into real estate development. The research behind these recommendations was informed by the insights of the Advisory Council, the vast majority of whom are BIPOC developers, and the accompanying policy positions are based on industry best practices.

Visit CPC's policy website to download the full policy memos, and view a short summary below.

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Advancing Racial Equity through state Qualified Allocation Plans (QAP) and Low Income Housing Tax Credits (LIHTC) Processes

The Advisory Council examined successful state models and took on further research to make system-level recommendations to advance racial equity through state Qualified Allocation Plans (QAP) and their processes for evaluating and allocating Low Income Housing Tax Credits (LIHTC) are summarized below.

An Opportunity for New York

Currently, New York State's QAP allocates a maximum of five points for project development teams that include certified minority and/or women-owned business and service-disabled veteran owned businesses. This designation accounts for 5% of the total 100 available points and ensures a relatively negligible impact as many projects can meet that broad threshold. New York State should consider other ways to advance racial equity through their QAP, and build off models established by peers across the country to either increase the share of available points or consider other ways to prioritize BIPOC-led projects. While many city and state agencies share the goal of building wealth for BIPOC New Yorkers, the state is missing an immediate opportunity - New York State can and should modify their QAP to prioritize emerging BIPOC developers.

Learn More: community.cpc.com/our-policy-voice/