



# The Community Preservation Corporation

# History

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- Private mortgage finance company
- In business since 1974
- Sponsored by 77 banks and insurance companies
- A “one-stop” shop
- Investment in the Hudson Valley
  - \$820 million
  - 13,135 units

# CPC is a Community Lender

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- CPC Process:
  - Evaluate the needs of a community
  - Identify the resources
  - Create strategic partnerships
  - Provide productive investment capital
  - Stimulate investment and revitalization

# The New Rochelle Model

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Overcoming the Obstacles:  
Revitalizing Distressed  
Downtowns

# Understanding the Problem

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- Many of the tri-state region's former urban centers have fallen on hard times
  - Industry and business have left downtowns
  - People opt for convenience
    - Indoor shopping malls/office parks
    - Drive up parking and retail
    - “get it all in one place”
- Suburban cities have been left behind

# Creating Solutions

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- Understanding the needs help to find the opportunities
- CPC's "Community Assessment Model"
  - Consider all aspects of Infrastructure
    - Physical Infrastructure
    - Political Infrastructure
    - Economic Infrastructure
    - Social Infrastructure
    - Development Infrastructure

# Physical Infrastructure

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- Is there a concentration of properties with development potential?
  - Vacant land and/or existing structures
  - Find out who owns them?
  - Can the physical image of the “place” be improved or, if necessary, transformed?
- Are the properties concentrated in a dense area?
- Is there access to the district?

# Political Infrastructure

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- Does the current leadership support downtown revitalization?
  - What have they done to prove it?
  - Is the Mayor aligned with the Trustees/Council?
  - Municipal investment/activity must be convincing

# Political Infrastructure

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- Has leadership been consistent?
  - Are leaders, council people and the majority of stakeholders in the target area invested and aligned?

# Intermodal Transportation Center New Rochelle

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# Library Green New Rochelle



# Streetscape Improvements New Rochelle

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# Economic Infrastructure

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- Is there demand for housing and retail downtown?
  - What are the vacancy rates?
  - What are the rents?
- Do deals work on market rate basis?
- If not, is there gap subsidy

# Economic Infrastructure

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- New Rochelle
  - Loft rents \$2,000+ per month
  - Retail rents \$20-25 per foot
- Middletown
  - Loft rents \$1,200 per month
  - Retail rents \$9-15 per foot
- Dilemma:
  - Development costs are about the same

# Social Infrastructure

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- Is there a “There” there?
  - Does the downtown have “cachet”
  - Is the area desirable?
  - What are the existing attractions?
    - Theaters, Arenas, Restaurants, Public Spaces, Museums, Shopping
  - If none of this exists, is it possible that investment can help to create it?

# Development Infrastructure

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- Is there a Local Partner acting as the “Boots on the Ground”?
- It is critical to have an engaged and capable conduit to the community with a connection to
  - individual property owners
  - local building department & community development department
  - Local and State Subsidy
- BIDS, Chambers, LDCs or Municipalities

# Opportunity for Immediate Action

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- Is there a pipeline of deals ready to go?
  - Is there pent up demand?
- Is there a “watershed deal”?
  - Bloomingdales Building in New Rochelle
- Activity breeds excitement
  - One pivotal transaction will put you on the map and provide incentive for others to participate

# Davenport Lofts, New Rochelle



# The CPC “Tool Kit”

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- When assessment indicates potential, there are many tools that CPC uses to meet revitalization needs
  - Main Street Redevelopment “Tool Kit”
- CPC tries to be “at the ready” to create new tools on an as needed basis
- Different communities need different tools

# CPC Tool #1: Technical Assistance Grants

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- Educating the non-developer
  - Understanding real estate economics and development is not a given
- Evaluate property – define its potential
- In New Rochelle
  - \$2,500 assessment grant per building
  - CPC's engineer provides a property report
  - CPC loan officer provides a financial analysis

# CPC Tool #1: Technical Assistance Grants

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- The goal is to put the owner in a position to make a good investment decision
  - Result won't always support redevelopment
  - Economics can be challenging

# 555 Main Street, New Rochelle



# CPC Tool #2:

## Redevelopment Loan Program

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- CPC's loan products
  - Long term, fixed rate loans on small mixed-use properties
  - 30 years loans for stand alone retail
  - Acquisition and refi's, rehab, new construction
  - Construction and permanent loans done together
  - Perm forward committed

# 543 Main Street, New Rochelle

Before



After

# CPC Tool #3: Second Mortgage Façade Loans

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- Public façade improvement programs can present challenges
  - Pay 100% of the costs upfront and wait to be repaid
  - Public money only pays 50% of cost
  - Utilizing public money during construction may increase costs – prevailing wages

# CPC Tool #3: Second Mortgage Façade Loans

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- CPC's Façade Loans solve these problems
  - Term: 3%, 10 years – no prepayment penalty
  - Pay for entire job up front and wait to get paid down with grant proceeds
  - Low cost, minimal paperwork

# The Curtain Shop, New Rochelle



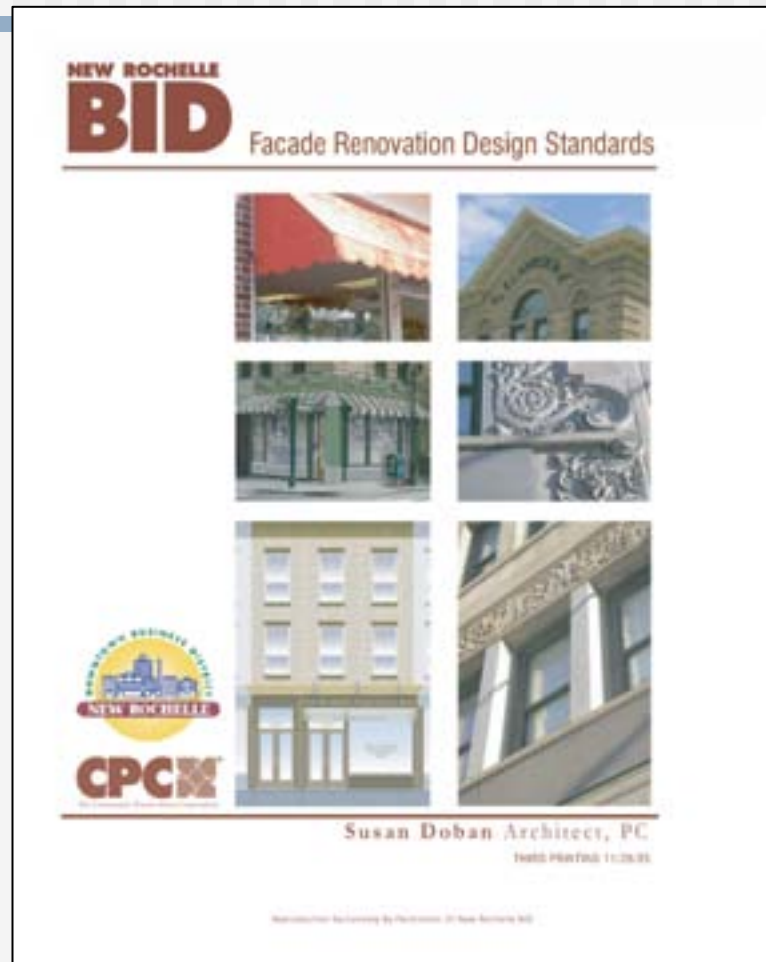
# CPC Tool #4:

## Façade Renovation Design Standards

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- Critical to make the process easy for property owners
- Simplified menu of options pre-approved by local planning and architectural boards
- Owners not required to use it, but it provides excellent guidance and speeds the process

# Façade Loan Design Guidelines



# Other Tools Used by the City of New Rochelle

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- Rezoning for multiple uses
- Code Enforcement Initiatives
- Inclusionary Zoning
  - Include an affordable component in market rate developments
- Tax PILOTS
  - Critical for early deals where economics are tough
  - PILOTS can be unpopular

# Partnerships are Key

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- New Rochelle BID is completely plugged into available sources
  - DHCR “Main Street” grants
  - Signs and Awnings Program
  - Creative applications for grant money from unconventional sources
- CPC can strengthen applications

# CPC's Unique Role

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- Our member banks look to CPC to seed development in emerging markets
  - Conventional lenders will come in once the market is established
- CPC is not a regulated institution
  - Allows us to do the tough deals
  - Senior management encourages initiatives that support our mission



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