



**UNCOMMON EXPERTISE.
UNMATCHED IMPACT.**

CPC ACCESS



The Challenge

Historically, people of color have been excluded from opportunities to gain wealth, due to systemic racist policies and practices.



The Real Estate Industry is a generational friends and family business. The BIPOC community has not had the generational experience or networks leading to gaps in:

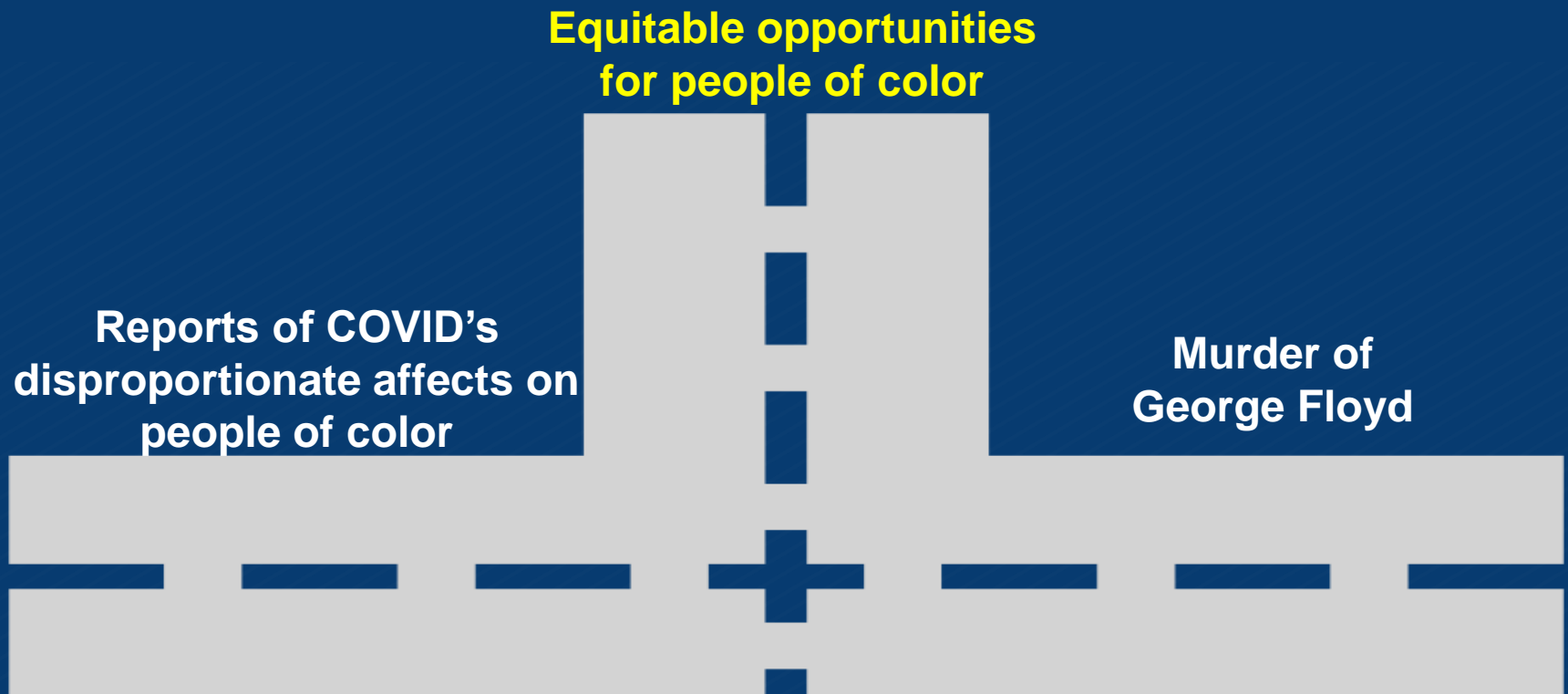
Knowledge

Capacity

Access to human capital

Access to financial capital

A collective inflection point puts the world at a cross roads...





Internal Reflections at CPC

Who is benefiting from investment opportunities?

Less than **10%** of investments were to developers of color.

Leading with intention results in the birth of ACCESS



A Acquiring
C Capital *and*
C Capacity *for*
E Economic
S Stability *and*
S Sustainability

A multimillion dollar initiative funded from CPC's balance sheet to empower BIPOC real estate entrepreneurs

Goals & Objectives

- Offer technical assistance
- Capacity building opportunities and resources
- Networking opportunities
- Provide capital resources



Diversifying an underrepresented industry

US Census data :

Black population **13.6%**

Hispanic population **17.8%**

Grove Impact Report data findings:

Black Real Estate Developers represent **0.40%** of the industry, while Hispanic developers represent **0.16%** of the industry.



A Bottom-Up Approach

How can I achieve sustainable, economic growth?

We need access to economic opportunities.

One-Stop Shop

Racial Equity

Develop Growth Strategy

Benevolent Equity

Relationship Development

Pricing Barriers

Generational Wealth

Start Up Capital

CAPITAL ISOLATION

Pressure in our communities to SUCCEED!

Systemic

Integration

Develop the Developer

Asset

Limited

Income

Constrained and

Employed

Capacity Building

I have experience,

I just need ACCESS TO CAPITAL.

I want to move out of the minority position into the MAJORITY position...

Representation Matters

Patient Capital



Novice Developer

Minimal development experience, and may require technical assistance through the duration of the project. Oftentimes, the project represents first-time engagement in real estate development. Usually operates and/or lives in the community served.



Emerging Developer

Working experience in real estate through employment and/or mentorship, and is now seeking entrepreneurial opportunities. May have engaged in technical assistance training programs expanding their knowledge in real estate development.



Seasoned Developer

Many years experience developing projects with proven track record, but still faces barriers to entry in meeting underwriting requirements resulting from lack of access to capital products.



Novice Developer

- Education via technical assistance training
- Construction loans with higher leverage
- Access to human capital to begin to build their network



Emerging Developer

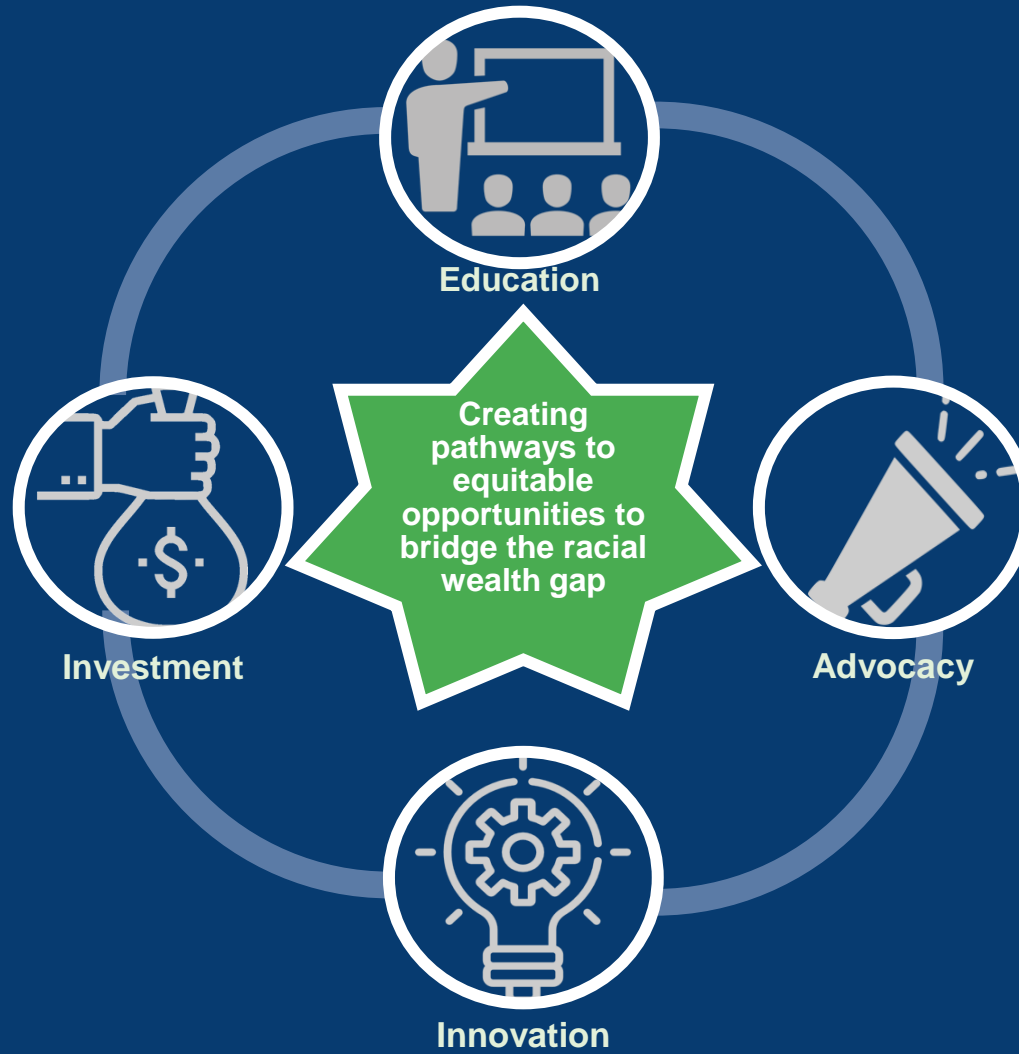
- Patient capital
- Capacity building resources
- Access to pre-development capital



Seasoned Developer

- Equity/balance sheet support
- Enterprise-level capital support

Our North Star

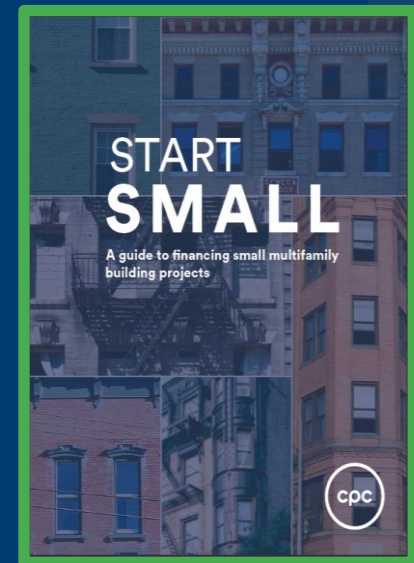




CPC ACCESS Incubator Training Series

Utilizing CPC's **Start Small Business Guide**, Novice BIPOC developers receive technical assistance through a robust web-based training series, with modules:

1. So, you wanna be a developer?
2. Qualifying for a Construction Loan
3. Sustainable Development
4. Pre-Closing a Construction Loan
5. Closing a Construction Loan with CPC
6. Hiring an Attorney & Title 101
7. Construction Phase to Permanent Loan Conversion
8. Introduction to Proformas and Construction Loan Calculations
9. All-Module Wrap-Up





CPC's decades-long relationships with government partners, has been instrumental to sourcing solutions for BIPOC developers, leading to the creation of programmatic solutions for them to develop affordable housing.

- [HCR Legacy City Access Program](#)

CPC's Policy Team have lent their voice to the creation of Policy Memos

- [Roadblocks and Recommendations for BIPOC Developer Activity in NYS](#)
- [Advancing Racial Equity Through State QAP Structures](#)



CPC formed its own Advisory Council consisting of 12 seasoned BIPOC developers. Over a 12-month commitment period, their feedback lead to:

- Additional points allocated to BIPOC developers in NYS's QAP for LIHTC projects
- Streamlining M/WBE Certification process with State Agency



- Under-valued appraisals in formerly red-lined communities
- High fees for construction loan closings
- Limited upfront capital to pursue development projects, leads to missed opportunities
- Projects qualify for grants or tax credits, but borrower has limited liquidity to bridge the capital during the loan term
- Limited business capacity, scarce knowledge of what questions to ask, where resources exist, how to successfully pursue grant opportunities



- **Higher leveraged construction loans**
- **CPC in-house closings drives down legal costs to borrower**
- **Impact investments for acquisition deposits, bridge loans and pre-development loans**
- **Considerations to bridge tax credits during construction, or allowing grants to leverage borrower's equity contribution**
- **CPC pays a monthly retainer to BIPOC Housing Consultant Firm to serve as a knowledge resource, liaison and problem-solver**



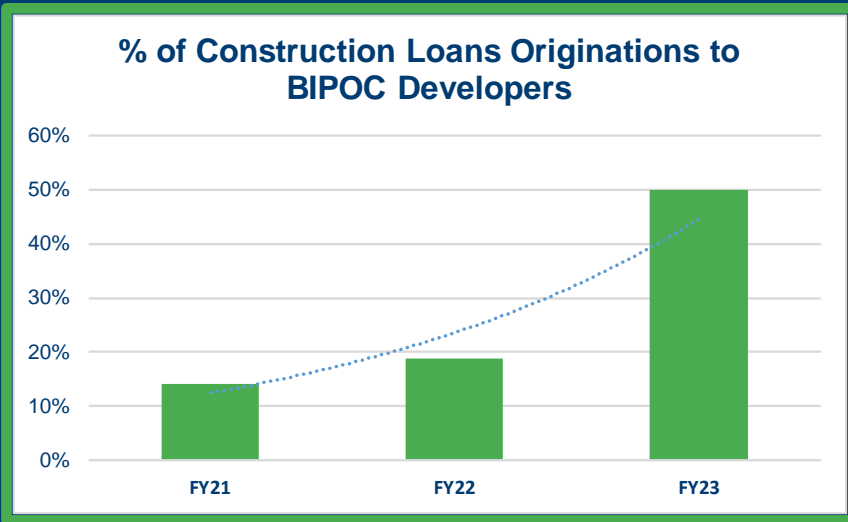
Utilizing a solutions-driven approach, we flex our lending parameters to:

- Provide permanent loans with long-term capital
- Leverage construction loans to increased LTV up to 90%
- Guide first time borrowers through the GSE process with Agency loans
- Provide enterprise-level capital through our Equity platform
- Offer pre-development and bridge loans through our Impact Investing platform



BRIDGING THE RACIAL WEALTH GAP TO MOVE THE NEEDLE TOWARDS A MORE DIVERSIFIED INDUSTRY

Since the FY21, our investments to BIPOC developers has increased dramatically. From less than 10% prior to the inception of ACCESS, to **50% of investments closed with BIPOC developers** in FY23.



Total BIPOC Developers

30

BIPOC Developers New to RE Lending

11

Transactions Closed with BIPOC Developers

35

QUESTIONS?

