

THE BOND BUYER

New York nonprofit sells \$150 million of sustainability bonds

By

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The Community Preservation Corp.'s \$150 million inaugural sustainability public debt offering marked the single largest bond sale completed by a community development financial institution, the corporation said.

New York-based CPC's taxable offering attracted roughly \$300 million in orders.



Siebert Williams Shank's Bill Thompson Jr. called the deal's market reception "a direct result of years of serious and effective stewardship by CPC's leadership."

The firm, one of the largest CDFIs dedicated to multifamily housing, expects to use the capital raised to bolster affordable and sustainable multifamily housing in New York State and City, and throughout the Northeast.

“CPC is in an unprecedented position of financial strength. We now have the resources, and with them, the responsibility to define what we can and should be doing to help our partners address their most pressing housing and community development challenges,” president and chief executive Rafael Cestero said in a news release.

Goldman Sachs led the Jan. 30 negotiated issuance with joint bookrunner Siebert Williams Shank, the nation’s leading woman-owned and minority-owned financial services firm.

S&P Global Ratings assigned its AA-minus rating and stable outlook to CPC, citing “experienced, proactive management team and board, which exhibit strong risk oversight and governance capabilities, and a mission-driven growth strategy.”

CPC expects to use approximately \$149 million in bond proceeds to pay down part of its senior construction loan facility, S&P said in its rating report.

The sale results “reflect both the strength of CPC as an entity and the importance of their role in financing affordable housing,” Goldman Sachs managing director Marvin Markus said in a news release.

In preparation for the offering, CPC obtained an independent opinion from Sustainalytics, an environmental, social and governance research firm. Sustainalytics evaluated the alignment of CPC’s sustainability bond platform with relevant industry standards.

CPC said its mission-based construction lending aligns with the environmental and social impact principles of the Sustainability Bond Guidelines 2018.

Bill Thompson Jr., a Siebert Williams Shank senior managing director and chief administrative officer, and a former New York City comptroller, in a news release called the market’s reception “a direct result of years of serious and effective stewardship by CPC’s leadership.”

Community Preservation Corp. since 1974

Dollars invested: \$11 billion

Units created: 196,000

People housed: 996,000

Construction lending, permanent lending, equity investments

Source: CPC

CPC began in 1974, when the city was facing serious problems of abandonment and blight during a financial crisis. Its creation evolved from a 1972-73 study conducted by the New York City Clearing House, an association of commercial banks and banking executives led by David Rockefeller.

CPC has invested more than \$11 billion to help create and preserve more than 196,000 units of housing in New York and the Northeast through its mortgage lending and equity investing business.

Working closely with government agencies, banks, local groups, and additional investors, CPC provides financing and technical assistance to help communities grasp housing and development challenges.

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