

# Rebuilding Through Red Tape



Temple II, the second of a pair of historical developments renovated by CPM, is one of the largest gut-rehab projects in the United States to achieve LEED Platinum certification. The improvements raised the value of property in the surrounding community enough that a neighbor was able to apply for a home equity loan he had previously been denied.

CPM Housing Group has learned how best to navigate the affordable-housing industry to build homes—many of them renovations—for special-needs tenants

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## AT A GLANCE

### Locations

Philadelphia and Washington, DC

### Founded

1988

### Employees

78

### Specialties

Affordable-housing development and property management

The affordable housing sector is fraught with a level of bureaucracy likely to induce feelings of defeat and despair. Funding is limited, the grant-application process involves mountains of paperwork, building restrictions inhibit the creativity of designers' master plans, and sometimes local residents think "it's a good idea, but ..." Fortunately, there are organizations such as CPM Housing Group, which manages to stay upbeat and overcome these challenges by navigating multiple avenues of financing, embracing a problem-solving approach, and establishing a community dialogue.

CPM was founded in 1988 to provide independent housing—via new construction or renovation—for people with behavioral or mental health issues. Since its founding, the organization has leveraged more than \$125 million in federal, state, city, and private

funding to finance its projects, and today it owns or controls more than 2,000 units and provides housing for at least 3,400 individuals and families in Philadelphia and Washington, DC.

"Currently, most of our new-construction funding comes from low-income housing tax credits (LIHTCs) administered through the Pennsylvania Housing Finance Agency and the DC Housing Finance Agency," executive director Walter Kubiak says. "We also benefit from rental subsidies from HUD through the local Housing Authority."

Kubiak admits, though, that competition for the LIHTCs is fierce, and rarely do they provide enough money for total funding. So, "when necessary, we make up the difference with grants from the Federal Home Loan Bank, the [City of Philadelphia] Redevelopment Authority, the Enterprise Foundation, and similar organizations," he says.

Sustainability is a key part of CPM's mission, and all its projects—many of them overseen by the McDonald Building Company of Plymouth Meeting, Pennsylvania—are built to meet Enterprise Green Communities Criteria and to attain LEED certification. This gets more difficult, though, when CPM has to incorporate new technology into ancient buildings such as Temple 1 and Temple II, a pair of historical developments comprising 51 buildings in North Philadelphia. "[In such cases], we take innovative approaches," CPM director of construction David Hahn says. "Our tenants tend to have more respiratory issues than most people, so we create tightly sealed buildings and use low-VOC materials and other friendly substances when rehabbing. Also, we can often use new materials to replicate historic appearances. Buildings are brought to current standards while maintaining their original architectural details."



Inside Temple I, CPM took extra care to account for its clients with respiratory problems by tightening up building envelopes and using low-VOC paints and finishes.

The results of those efforts? Temple I was one of the largest gut-rehab projects in the United States to achieve LEED Gold certification; Temple II attained the same distinction at the Platinum level. And CPM's "newest internal criteria for sustainability exceed those of the LEED program," according to Hahn, so topping out the USGBC's points system will only get easier.

Sustainable solutions please CPM's residents, but what about those living next door? "Whenever zoning changes or government money is involved, community support is essential," Kubiak says. "Our people have plenty of experience in dealing with special-needs populations, and we usually generate support through public hearings, where neighbors can discuss issues with our staff."

People are often concerned that tenants in wheelchairs or with behavioral issues will simply be dumped into their community's lap, "and that's not the case," Kubiak says. "We have good relationships with many local social-service agencies that give our tenants the support they need."

"Neighbors often equate affordable housing with old urban-renewal projects that led to high crime rates and drugs," Hahn adds. "But with rehab projects—the majority of our business right now—most of the current tenants return, so the neighborhood really doesn't change much."

Except in a positive way. Hahn says that CPM's Temple II project improved its community's value enough to enable a private owner (a resident for more than 60 years) to obtain a home equity loan after being rejected several times before. Turns out the organization isn't only cutting through bureaucracy for itself; it's helping its neighbors forward as well. **ABQ**

**Update:** CPM Housing Group was recently awarded a \$3 million Energy Innovation Award from the US Department of Housing & Urban Development. These funds, combined with a four percent low-income-housing tax credit and tax-exempt bond financing, will allow CPM to make major energy-efficiency upgrades to 166 apartments in its Philadelphia portfolio and support ground-breaking new research into whether the presence of an in-home energy monitor can help residents with special needs lower their energy consumption. The goal of this project is a 20 percent reduction in energy costs. This cost savings is particularly significant for the vulnerable, low-income households that CPM serves.