



**LEVITICUS FUND**

*Faith Capital For Building Communities*

## August 2019 Quarterly Newsletter

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Dear Friends,

It has been a very productive time at Leviticus and I'm pleased to share with you the latest edition of our newsletter.

In the second quarter of 2019, we closed six loans totaling over \$7.8 million. Two of those loans—to MHANY Management and The Bridge—were made through our Project Start Fund (PSF), which we created in June 2018 to provide financing for deeply affordable rental housing.

You will find a link to one of these projects below. You will also find a link to a story about how our capital is expanding a Head Start program for low-income children in Port Jervis, New York. We also have exciting news about elections of our Board of Directors, and updates on our housing needs research within the New York cities of Yonkers and Newburgh.

Through the effort of our staff, we have made tremendous progress with our PSF work. We capitalized the fund last year with a \$2.75 million award from the CDFI Fund's Capital Magnet Fund (CMF). That award requires us to commit all of the CMF dollars to identified projects by May of 2020, to disburse all of the funds by the same date one year later, and to achieve \$20 million in total lending over the program's five-year period. As of mid-August, we have made loan commitments with CMF funds and additional leveraged capital that total \$11.3 million, and disbursed more than \$5.9 million in financing for eligible projects. With just 16 months since receipt of our CMF award, we are off to a great start!

All of us at Leviticus are well aware that the work we do would be impossible without your assistance. On behalf of everyone here, I thank you for your support of our mission. We are truly grateful for your generosity and commitment to help the communities we are called to serve.

With gratitude and best wishes,

Greg Maher  
Executive Director

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### Expanding Access to Early Childhood Education



When the [Regional Economic Community Action Program \(RECAP\)](#), which is Orange County's designated anti-poverty agency, was in danger of losing their existing lease arrangement in Port Jervis, NY they turned to the nonprofit PACER, Inc. to create an opportunity for a new long term lease for their Head Start operations. A loan from the Leviticus Fund allowed PACER to deliver on a solution. [Read More](#)

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## A Vacant Brownfield Becomes A Community Resource



For more than 30 years, [MHANY Management Inc.](#) has worked to provide affordable housing to New York City's low- and moderate-income residents. Now, a \$1 million predevelopment loan from Leviticus Fund is enabling the mission-driven nonprofit to move forward with an ambitious new project: Chestnut Commons, a 14-story, 300,000-square-foot development in Brooklyn that will bring 274 affordable rental units and an array of economic, educational, cultural, and recreational opportunities to the community. [Read More](#)

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## New Leadership for Leviticus' Board of Director



In July, Leviticus' Board of Directors selected new members to serve on its Executive Committee and officially welcomed three new directors that were elected in the spring by our Member investors.

Becky Koch, who just completed her first term on the board, was elected as our new Board President. She brings a depth of knowledge about community development and the CDFI sector through her volunteer experience and work as Senior Relationship Manager & Team Leader for HSBC's Community Development Lending. Our new board members are, pictured left to right, Jonathan Hummel, Managing Director-Risk Management for Deutsche Bank, Rosemary Jeffries, RSM, Executive Director for All-African Conference: Sister to Sister, and Toni Palamar, Province Business Administrator for the Sisters of the Good Shepherd.

"I've known Leviticus for a long time, since I started with HSBC back in 2002," Ms. Koch explained. "The growth of the organization has been wonderful to watch, and I especially admire Greg's leadership and how he has guided its steady growth. I also admire Leviticus' commitment to mission. In every board meeting, every conversation with staff, mission is always at the forefront. I think it is a really special aspect about Leviticus. It really binds together all the work that you do."

On behalf of Leviticus' staff and board, we offer our deep gratitude to outgoing president, Cathy Rowan, and to Justin Towey, who served as our Treasurer, and to Geraldine Kennedy, OSU, who served as Secretary. Your leadership and dedication to Leviticus' mission has made us a stronger organization.

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## Leviticus Advances Housing Needs Research



With the support of public and private funding, Leviticus is undertaking its second comprehensive housing study to provide detailed housing data and policy ideas and recommendations to community residents, local stakeholders, and city government officials in the City of Newburgh, NY, where 65% of the city's renter households are cost burdened and paying more than 30% of their income just to cover rent and utility costs. Newburgh is seeing early signs of revitalization in its downtown area, yet the city's appearance is still hampered by several hundred vacant and abandoned properties that, if revitalized, can offer potential relief to its current shortage of safe, decent housing.

Leviticus' Newburgh study is made possible through separate grants from JPMorgan Chase and the office of New York State Senator James Skoufis. The housing report will analyze data on the city's existing housing stock and the profile of its residents, and engage government officials, residents and other community stakeholders to understand more broadly Newburgh's unique opportunities and challenges for building and preserving housing to serve a range of income levels. The study is expecting to begin in September and preliminary work is underway.

In addition to the Newburgh study, Leviticus is nearing completion of its housing report on the City of Yonkers, which offers recommendations on tailored, feasible best practices to address positive housing outcomes for the city's residents, especially those renters who are cost burdened. JPMorgan Chase was the sole funder of the Yonkers report, which demonstrates its commitment to promoting community-based collaboration and utilization of data to find viable and sustainable solutions for long-term housing needs. The Yonkers report will be released in September and will be made available on our website.

Click [here](#) to read our press release on the Newburgh Housing Needs study.

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## A \$1.5 million *Good to Grow* Investment



At the center-piece of HSBC Bank's community development work within low-income neighborhoods is its partnership with CDFIs like Leviticus. With over \$330 million in total investments to 37 CDFIs nationwide, HSBC is recognized for its broad programmatic focus to finance affordable and supportive housing, health care, transit-oriented work, charter schools, small businesses and healthy food access projects.

In October of 2018, HSBC launched yet another initiative to expand the impact of CDFIs within the bank's markets. [The Good to Grow CDFI Investment Fund](#) (G2G) is a joint venture between HSBC and Opportunity Finance Network (OFN), which is a membership network of CDFIs, and will deliver an estimated \$25 million in new equity equivalent investments.

In May of this year, Leviticus received a \$1.5 million G2G investment and will use this capital to expand even further its lending within the tri-state area, including southern Connecticut,

Metro New York, and northern New Jersey. Beyond the G2G investment, HSBC was already Leviticus' largest institutional funder, with a \$5 million debt investment dating back to 2017.

*"The goal of G2G is to provide subordinate debt to CDFIs that are at a turning point in trying to grow quickly to meet demand. Leviticus exactly fit the profile that we wanted the Fund to target. Leviticus has this pipeline of loans that is growing and they are trying to keep up by raising different types of capital while maintaining a healthy balance sheet. I'm excited that HSBC is an institution that could step forward to meet this need. G2G is the largest stand-alone fund supporting CDFI lending solely through equity equivalent investments."*

*-Becky Koch, Senior Relationship Manager & Team Leader, Community Development Lending, HSBC Bank*



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