

Andrews Terrace



A joint venture between Conifer Realty and Community Preservation Partners, Andrews Terrace involves the historic rehabilitation of a 526-unit affordable residential rental project located in downtown Rochester, New York.

Andrews Terrace comprises two towers of 19 and 22 stories which include studio, one- and two-bedroom floorplans. Amenities include a business center, a community room, and laundry facilities. A significant portion of the units cater to seniors aged 62 and over. Renovations will include extensive interior upgrades and new amenities, including a community garden, playground, grilling area, bocce ball courts, a fitness room, and game room, as well as upgrades to the façade, elevators, and major systems, including HVAC and plumbing.

The estimated \$111 million of renovation costs will be financed with 4% Federal LIHTC equity, Federal and New York State historic rehabilitation tax credit equity, and tax-exempt bond financing. The project includes two distinct federal credit investors in two separate tax partnerships made possible through the utilization of the novel master-lease pass-through structure.

Klein Hornig attorneys served as special tax counsel and in this role provided sophisticated tax advice regarding the master-lease pass-through structure pursuant to which KeyBank Community Development and Goldman Sachs Asset Management's Urban Investor Group invested \$135.6 million in LIHTC equity, and Chase Community Capital invested \$37.2 million in federal and state historic tax credit equity.

Klein Hornig assisted our clients, Conifer Realty and Community Preservation Partners, in navigating the complexities of this cutting-edge tax structure, including providing two limited scope tax opinions. This structure, which avoids the reduction in eligible basis associated with the historic tax credits, allows projects to maximize credit equity and avoid the need for additional public subsidy.

Klein Hornig attorneys have recently closed several LIHTC transactions utilizing the master-lease pass-through structure and, given the current interest rate environment and rising construction costs, we anticipate that developers and sponsors will continue to pursue this structure.

Related Team





Kathryn Galbraith Day
Partner
kday@kleinhornig.com
617.224.0627



Daniel J. Kolodner
Partner
dkolodner@kleinhornig.com
617.224.0617

Related Services

- [Low Income Housing Tax Credits](#)
- [Tax Credit Finance](#)

Other Work

- [St. Therese Complex](#)
- [Voces de Esperanza](#)