

# The FlexlII **NYC Tenant Equity Loan Fund**

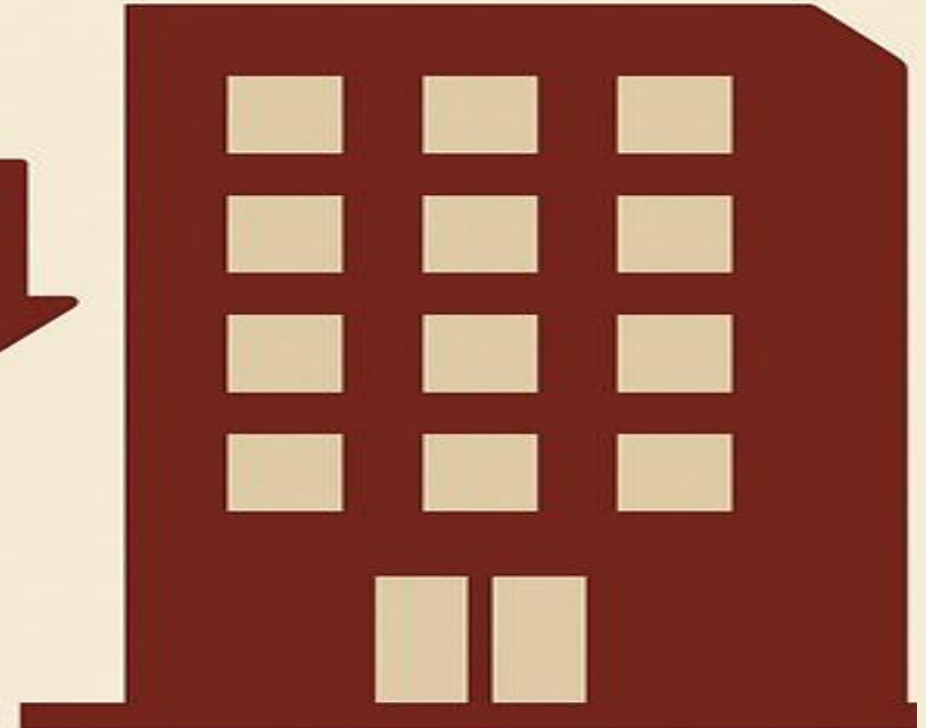
## **Downside Protected Yield Through Tenant Driven Condo Conversions**

A new asset class transforming stabilized units into market rate collateral  
while expanding affordable ownership.

# The Institutional Opportunity

A Structural Inefficiency Ready for Capital

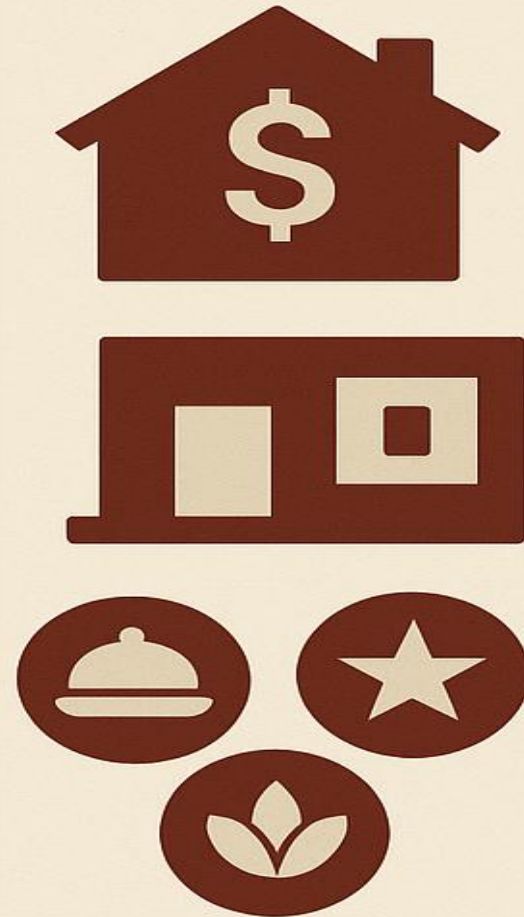
- NYC rent-stabilized buildings face rising costs, flat NOI, and LL97 penalties.
- Owners are selling at discounts due to regulatory pressure and limited upside.
- Tenants lack access to financing despite strong payment histories.
- This creates a capital gap that institutional investors can fill with low-risk, asset-backed loans.



# WHY TENANT FINANCING?

- Tenant-approved condo conversions unlock value without eviction.
- Financing tenants directly accelerates conversion timelines.
- Units exit stabilization upon purchase, increasing collateral value.
- Lower monthly payments (long amortization + reduced rate) reduce default risk.

Ownership + dignity + compliance =  
stability.



# The Fund Model

## Long Duration, Low Volatility Yield

- 50 year amortization + 1% rate reduction = lower monthly payments + lower default risk + longer interest earning period.
- Loans secured by units that immediately become market rate collateral.
- Predictable, bond like cashflow ideal for pension and insurance mandates.



# DOWNSIDE PROTECTION

## A Rare Structure Where Default = Upside

- If a borrower defaults:
  - Unit is no longer stabilized
  - Lender forecloses
  - Unit resets to **full market value**
- This creates:
  - **Capital preservation**
  - **Recovery of principal + yield**
  - **Optional upside** through resale or rental
- This is the core institutional advantage.



# Impact + Compliance

## Civic Alignment Without Concessionary Returns

- Supports tenant ownership and long-term affordability.
- Reduces displacement and stabilizes neighborhoods.
- Integrates LL97 compliance through service-layer retrofits.
- Aligns with Affordable Housing Retention Act (AHRA) 2025.
- Delivers measurable social impact **without sacrificing yield.**



# Why This Fits Institutional Mandates

Pension Funds, Insurers, and PE Benefit From:

- **Long-duration, predictable cashflow**
- **Low default risk** due to affordability
- **Hard-asset collateral** in a supply-constrained market
- **Downside protection** through market-rate reset
- **Scalable deployment** across NYC's stabilized housing stock
- **Impact + compliance alignment** without concessionary pricing

This is a rare blend of **yield + stability + civic value**.



# Portfolio Impact

## Stability, Duration, and Diversification



Adds a new fixed-income-like product backed by real estate.



Diversifies away from traditional multifamily risk.



Provides duration that matches pension and insurance liabilities.



Generates consistent returns even in volatile markets.



# Flexlii's Role

## Transaction Architect + Service Operator

- Structure conversions, financing, and regulatory compliance.
- Manage service-layer infrastructure .
- Capture both **transaction fees** and **recurring NOI**.
- Ensure smooth execution for owners, tenants, and regulators.

Join Us in Building the Next NYC Housing Asset Class A scalable, downside-protected investment platform that converts stabilized units into market-rate collateral while expanding affordable ownership.

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