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Housing Partnership Equity Trust Acquires Its First Multifamily Building in the Washington, D.C. Metropolitan Area

Social Purpose REIT Collaborates with AHC Inc. to Purchase a 228-Unit Affordable Rental Property Near Downtown Silver Spring, Maryland and the U.S. Food and Drug Administration Headquarters

(WASHINGTON, December 23, 2014) — Housing Partnership Equity Trust and AHC Inc. have partnered to purchase Woodleaf Apartments in Silver Spring, Maryland for \$33.5 million. The 228-unit apartment building is comprised of one- and two-bedroom apartment homes and is adjacent to the U.S. Food and Drug Administration headquarters located on the White Oak Federal Campus. In addition, the building is near downtown Silver Spring, and approximately 12 miles from Washington, D.C. HPET's purchase of Woodleaf in collaboration with AHC will preserve the affordability of the rental property, which is critical to the growing workforce in the area, powered in large part by the planned expansion of the FDA.

HPET is a social purpose real estate investment trust created by the Housing Partnership Network, an award-winning business collaborative of leading affordable housing and community development nonprofits, and 12 nonprofit housing developers to preserve affordable rental homes for families, seniors and others with low and modest incomes. The REIT launched in 2013 with initial investment capital from Prudential Financial, Inc., Citi, Morgan Stanley, the John D. and Catherine T. MacArthur Foundation, the Ford Foundation, HPN, and the nonprofit members. With the Woodleaf acquisition, HPET will close out its initial capital raise and expand its portfolio of affordable rental homes to more than 1,100 units.

AHC is a leading nonprofit developer of affordable housing in the Washington, D.C. Metropolitan Area, based in the nearby suburb of Arlington, Virginia. Since 1975, AHC has developed and preserved nearly 50 affordable rental apartment communities that provide quality homes for 6,500 households. AHC also runs an award-winning Resident Services program that serves more than 2,000 children and families. In 2004, AHC expanded its footprint to the Baltimore, Maryland area. Purchasing Woodleaf in collaboration with HPET allows AHC to further build its Montgomery County, Maryland portfolio, where it now owns and operates more than 1,200 affordable and workforce units. AHC will manage Woodleaf and upgrade the building, including replacing windows across the property and renovating some units.

“The Woodleaf acquisition establishes HPET’s presence in the Washington area, one of the highest cost markets in the country,” said Drew Ades, president of Housing Partnership Equity Trust. “It also further demonstrates the effectiveness of our collaborative business model in preserving affordable units in areas that continue to experience tremendous economic growth.”

“AHC is committed to preserving and developing affordable and workforce housing in the mid-Atlantic region,” said Walter D. Webdale, president and CEO of AHC. “Partnering with HPET is an exciting example of nonprofits working together to create innovative finance tools that don’t require public subsidy to acquire and preserve affordable housing. This is a great step forward, and we are delighted to collaborate with HPET to expand the number of affordable homes for Montgomery County residents.”

Through HPET, the first affordable housing REIT created and managed by nonprofits, members are able to better compete with for-profit developers, bypassing complex financing packages and/or limited subsidy dollars that can take several months or years to assemble. Specifically, HPET invests long-term, low-cost equity alongside its nonprofit partners, enabling them to acquire rental properties quickly and efficiently. In addition, HPET’s innovative structure creates a vehicle for impact investors to balance financial risk and return with social outcomes.

The 12 nonprofit members of HPET are: AHC Inc.; BRIDGE Housing Corporation; Chicanos Por La Causa, Inc.; Community Preservation and Development Corporation; Eden Housing, Inc.; Hispanic Housing Development Corporation; Homes for America, Inc.; LINC Housing Corporation; Mercy Housing; Nevada HAND, Inc.; The NHP Foundation; and NHT/Enterprise.

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Housing Partnership Equity Trust is a social-purpose real estate investment trust created to preserve naturally affordable multifamily rental properties for families, seniors and others with modest incomes. Created in partnership with 12 mission-driven nonprofits, and sponsored and operated by the Housing Partnership Network, HPET provides a ready source of long-term, low-cost capital for its nonprofit members, enabling them to quickly and efficiently acquire rental apartment buildings. HPET launched in 2013 with an initial investment of \$100 million funded by investors, foundations, its nonprofit members, and HPN. To learn more, visit www.hpequitytrust.com.

Founded in 1975, **AHC Inc.** is a nonprofit developer of affordable housing in the mid-Atlantic region that provides quality homes and education programs for low- and moderate-income families. Based in Arlington, VA, AHC has developed 6,500 apartment units in 49 properties in Virginia and Maryland. AHC’s Resident Services program reaches 2,000 children, teens, adults and seniors each year through onsite education programs and activities. To learn more, visit www.ahcinc.org.

Housing Partnership Network is an award-winning business collaborative of 100 of the nation’s leading affordable housing and community development nonprofits. Creating private sector partnerships and enterprises that achieve ambitious social missions, HPN and its member organizations work together to scale innovation and impact, helping millions of people gain access to affordable homes and thriving communities that offer economic opportunity and an enhanced quality of life. In 2013, HPN received a MacArthur Foundation Award for Creative and Effective Institutions, and a Wells Fargo NEXT Opportunity Award in recognition of its ongoing leadership and innovation in affordable housing and community development. To learn more, visit www.housingpartnership.net.