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**Housing Partnership Equity Trust Expands Portfolio with Multifamily Property in Northern California; Preserves Affordable Rental Housing for Low-Income Residents**

***Investment in Fairfield, Calif. Shows Promise of Innovative REIT Model To Give Non-profit Developers Ready Access to Capital to Buy Needed Properties***

**Washington, D.C.** – Building on its pioneering model to acquire and preserve affordable and sustainable rental housing, the Housing Partnership Equity Trust (Equity Trust) today announced that it has purchased Woodside Court Apartments, a 129-unit rental property in Fairfield, Calif. Drawing on \$100 million raised from institutional investors, foundations and non-profit members that include Citi, Prudential Financial, Inc., Morgan Stanley, the John D. and Catherine T. MacArthur Foundation, and the Ford Foundation, the Equity Trust was able to acquire the multifamily property that is situated between San Francisco and Sacramento, Calif., and close to several employment, retail, health, and cultural centers.

The Housing Partnership Network (HPN) sponsors and operates the Equity Trust, which launched in December 2012. HPN, a business collective of the nation's leading housing and community development non-profit organizations, combines social mission with private enterprise to address the need for affordable housing. The Equity Trust is an example of this innovative approach.

In keeping with its mission to preserve the stock of affordable and sustainable rental housing, the Equity Trust acquired the multifamily property in collaboration with one of its 12 non-profit members, Eden Housing, Inc., which will manage and maintain the complex of one- and two-bedroom units, and provide services to residents such as educational scholarships. Based in Hayward, Calif., Eden Housing develops affordable rental housing for low- and moderate-income families; people with disabilities and seniors.

This is the second transaction of its kind to close in recent months under the Equity Trust, a private, social-purpose real estate investment trust (REIT), following a similar purchase in Aurora, Ill., which closed in April.

“Our ability to close another transaction is proof that the business model we created for the Equity Trust works and is successful,” said Drew Ades, President and CEO of the Equity Trust. “Tenants who live in these rental units know that they have an owner coming in whose mission is aligned with their needs, whose focus is preserving their homes and keeping rents affordable.”

"The goal of our investment in the Equity Trust is to help preserve and ensure the availability of decent, affordable housing for people throughout the country," Ommeed Sathe, Vice President, Social Investments at Prudential, said. "The closing of the Woodside transaction demonstrates the ability of skilled non-profit operators like Eden to use the Trust to acquire and preserve vital affordable housing assets."

The Equity Trust fills a critical need for its non-profit members, who also belong to HPN, by allowing them to compete with for-profit developers and access long-term, low-cost capital to acquire apartment buildings quickly and efficiently within their communities. These real estate transactions are unique because they do not involve the use of federal housing tax credits or other public subsidies, which non-profits typically need to secure to finance the purchase of properties. This process can stretch up to two years. Before the Equity Trust launched, these non-profit developers could not compete with for-profit entities with ready access to capital and the ability to close deals quickly.

"Given that we have already lost our primary source of funding with the elimination of the redevelopment agencies and \$1 billion a year in local affordable housing resources, Eden needed to be creative and find new ways to continue to provide affordable homes," said President of Eden Housing, Linda Mandolini. "The Equity Trust allows us to assure the preservation of safe, affordable housing for current residents and for the thousands of people on our waiting lists."

Woodside Courts Apartments is close to a number of businesses that employ tenants, including Travis Air Force Base, Northbay Medical Center and the County of Solano. The complex is also located near parks and recreation facilities, elementary and secondary schools, as well as a community college. Woodside Courts Apartments reflects the types of multifamily buildings the Equity Trust and its non-profit members seek to acquire. Keeping these kinds of rental properties affordable is critical to individuals and families with lower incomes.

According to a recent study conducted by the Center for Housing Policy, 26.4 percent of working renter households spent more than half of their income on housing costs in 2011. This is an increase from 2008. Additionally, Harvard University's Joint Center for Housing Studies reported in 2011 that shrinking affordable housing stock, falling incomes, and increased competition from higher income renters has widened the gap between needed supply of affordable rental units and growing demand, especially over the last decade.

"The launch of the Equity Trust was a milestone event but more work is needed to keep homes affordable for millions of families that struggle with housing costs" said Debra Schwartz, Director of Program-Related Investments at the John D. and Catherine T. MacArthur Foundation. "The REIT is an important step toward addressing this need at a large scale."

"Housing is fundamental to building thriving communities—and affordable housing that is safe, with good proximity to jobs and transportation is absolutely critical" said Lisa Davis, Program Officer at the Ford Foundation. "We are thrilled to have supported the launch of the Equity Trust and look forward to many more successful closings across the nation that help preserve affordable housing and access to opportunity."

In a sign of the promise of this model, Thomas Bledsoe, President and CEO of the Housing Partnership Network, announced plans in June to raise an additional \$500 million for the Equity Trust over the next two years during the Clinton Global Initiative America (CGI America), an annual meeting convened by the Bill, Hillary & Chelsea Clinton Foundation that is devoted to U.S. economic recovery and job creation.

“In an era of limited public subsidies, we are committed to advancing innovative ways to preserve and increase the supply of affordable housing,” said Bledsoe. “Expanding the Equity Trust in this way offers a unique opportunity to finance more affordable housing and unleash private capital in powerful ways to meet a social mission.”

The additional capital will put the Equity Trust on a more even playing field with for-profit developers and keep rental prices affordable. The funds raised will be used to acquire, renovate and operate more than 7,000 affordable housing units around the country, and create 900 jobs.

The 12 non-profit members of the Equity Trust 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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### **About Housing Partnership Equity Trust**

The Housing Partnership Equity Trust (Equity Trust) was formed as a social-purpose real estate investment trust or REIT. It provides a ready source of long-term, low-cost capital, enabling its 12 mission-driven non-profit partners to quickly and efficiently acquire rental apartment buildings that provide quality homes for families, seniors and others with modest incomes. The Equity Trust launched in December 2012 with an initial investment of \$100 million funded by investors, foundations and its non-profit members. The private, non-profit REIT is sponsored and operated by the Housing Partnership Network. To learn more, visit [www.hpequitytrust.com](http://www.hpequitytrust.com)

### **About Eden Housing, Inc.**

In its 45 years of service throughout California, non-profit Eden Housing, Inc. has provided a home for more than 60,000 people. Hayward-based Eden Housing is the long-term owner-operator of its developments, and is committed to preserving and maintaining its buildings as community assets and supporting residents with a range of services. Since the organization’s beginnings in 1968, Eden Housing has developed or acquired more than 7,000 housing units and 61,100 square feet of adjoining commercial/retail space in more than 90 properties. Eden has nearly 5,000 apartments in its property management portfolio and provides access to supportive resident services programs at 100% of its communities. To learn more, visit [www.edenhousing.org](http://www.edenhousing.org)

### **About Housing Partnership Network**

The Housing Partnership Network (HPN) is an award-winning business collaborative of the nation’s most successful affordable housing and community development non-profits. Creating private sector partnerships and enterprises that achieve ambitious social missions, HPN and its members 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 the MacArthur Foundation Award for Creative and Effective Institutions, in recognition of its ongoing leadership and innovation in affordable housing. To learn more visit [www.housingpartnership.net](http://www.housingpartnership.net)