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Housing Partnership Equity Trust Expands into Redevelopment with Acquisition of Multifamily Building in Downtown Chicago

Nonprofit REIT Collaborates with Hispanic Housing Development Corporation to Preserve, Renovate and Redevelop 150-Unit Affordable Rental Property

(WASHINGTON, November 3, 2014) — Housing Partnership Equity Trust has purchased Damen Court Apartments in Chicago, Illinois, in collaboration with the Hispanic Housing Development Corporation. The 150-unit apartment building is located in the city’s Near West Side, close to the United Center and the Illinois Medical District. HPET’s purchase of the property in partnership with HHDC will both facilitate the renovation of the property and preserve it as a critical component of the affordable stock in this downtown neighborhood.

HPET was created by the Housing Partnership Network and 12 nonprofit housing developers to preserve affordable rental homes for families, seniors and others with low and modest incomes. The Damen Court transaction with HHDC adds a fifth property to the growing portfolio of affordable rental homes preserved by the REIT, which launched in 2013 with 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.

HHDC, a leading nonprofit housing developer in the Chicago region and one of the high-capacity nonprofit owners of the REIT, will manage and operate Damen Court. The project benefits from the Project-Based Section 8 Housing Assistance Program and includes a mix of one-, two- and three-bedroom apartments. Damen Court is served by the Medical District Station stop on the Blue Line and is located in an area of Chicago’s downtown core experiencing a boom in economic development across education, retail, entertainment, medical, and other sectors. HHDC will lead the redevelopment of the property, including common spaces and the physical plant, and does not anticipate any displacement of residents during the process.

“Damen Court is the first HPET property located in an urban core. This acquisition demonstrates how HPET can work with our partners like HHDC to facilitate the redevelopment of critical affordable housing assets,” said Drew Ades, president of Housing Partnership Equity Trust. “The area around the building is gentrifying rapidly, making the need to preserve affordable housing all the more important. Everybody wins if we can balance economic growth with affordable rental homes, and we’re excited about growing our portfolio to include more of these types of projects in the future.”

“Preserving affordable homes for people and families in the Chicago area remains a driving force behind our development philosophy,” said Hipolito “Paul” Roldan, president of Hispanic Housing Development Corporation. “Collaborating with HPET to acquire Damen Court – investing in the property as well as the surrounding area – supports our mission, and above all supports residents and the larger community.”

HPET invests long-term, low-cost equity alongside its nonprofit partners, enabling them to acquire rental properties quickly and efficiently. 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.

In addition, HPET’s innovative structure creates a vehicle for impact investors to balance financial risk and return with social outcomes.

“Solutions to the lack of affordable rental housing need scale, and they need to resonate with investors, including the growing marketplace of impact investors who desire improved social outcomes along with steady returns,” said Debra Schwartz, director of Program-Related Investments at the MacArthur Foundation. “HPET enables strong nonprofits to take the lead in preserving affordable rental homes, and MacArthur’s ongoing investment in this innovative platform reflects our commitment to housing and the improved health, educational and economic outcomes that stem from having an affordable home.”

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.

Hispanic Housing Development Corporation is a nonprofit organization founded in 1975 to help create affordable housing in Chicago’s Latino neighborhoods. Today, HHDC helps people across the Chicago area to improve their lives and achieve the American dream. HHDC builds comfortable, affordable housing that people are proud to call home, and creates employment and business opportunities that become a catalyst for economic prosperity that helps communities flourish for people of all ages. HHDC’s comprehensive approach helps to create and maintain healthy communities, in line with its mission to help people make a better life for themselves, their families, and their neighbors. To learn more, visit www.hispanichousingdevelopment.com.

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.

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