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# El Paso Housing Authority Rental Assistance Demonstration (RAD) Project Reaches Closing With Hunt Companies, Inc.

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**El Paso, TX**– Hunt Companies, Inc. (“Hunt”) and the Housing Authority of the City of El Paso (“HACEP”) today announced the successful closing on 1,590 units at 13 separate properties across the City. This project is Phase I of the country’s largest Rental Assistance Demonstration Project, representing a \$250 million initial public/private investment of what could potentially grow to \$1 billion over the next five years.

“This partnership enables both the Housing Authority of the City of El Paso and the Hunt team to leverage our collective strengths to develop high-quality affordable housing for families in need while helping the city of El Paso continue to thrive,” said Robin Vaughn, President of Hunt’s Public Infrastructure Capital Markets division. “This project provides significant benefits to the City of El Paso and its residents, including the creation of over 1,000 jobs and an estimated \$1 billion in local economic impact.”

In December 2013, the Department of Housing and Urban Development approved HACEP’s application to convert 6,100 units through the Rental Assistance Demonstration (RAD) initiative. RAD allows public housing agencies to leverage public and private debt and equity in order to rehabilitate the public housing stock. This is critical given the \$25.6 billion backlog of public housing capital improvements.

HACEP selected Hunt as its development partner for Phase I in 2014. This closing marks the formalization of the partnership which will revitalize these properties over the next two years. This public-private partnership demonstrates a successful way forward towards improving public housing and offering a more sustainable solution for the city of El Paso and its residents.

"It is a priority to provide sustainable and affordable housing for folks that are in the greatest need. For too long, local housing officials tasked with preserving public housing and creating new affordable units have been constrained by tight federal budgets and tough economic conditions that made local funding scarce. The Rental Assistance Demonstration turns that funding stalemate on its head - allowing public housing authorities and owners of other HUD-supported properties to access private financing to rehabilitate and preserve existing affordable housing – expanding opportunity in communities like El Paso and across the nation," said Julián Castro, Secretary, U.S. Department of Housing and Urban Development.

"The Rental Assistance Demonstration initiative is a game changer that will transform the way we think about public housing well into the future," said Gerald Cichon, HACEP Chief Executive Officer. "The benefits to the City of El Paso are unprecedented, bringing \$500 million in public and private investment to our City with a \$1 billion local economic impact. We are proud that this is the first in the State of Texas and the largest in the country."

Hunt's wholly-owned subsidiaries and affiliates involved in this effort include Hunt Development Group, who will act as the development manager; Moss Construction who will be the project's master subcontractor; Hunt Mortgage Group providing the debt, through a Freddie Mac tax-exempt loan direct purchase program; and Hunt Capital Partners, which secured the tax credit equity from Aetna, MetLife and USAA.

## **ABOUT HUNT**

Hunt Companies, Inc. is a privately-owned company dedicated to building value through the development, investment, management and financing of real assets. Hunt provides a broad range of services to public and private sector clients. Founded in 1947 and headquartered in El Paso, Texas, Hunt has more than 1,200 direct employees. Together, Hunt and its affiliates own or manage 271,770 multifamily units including over 214,000 affordable units and 5.1 million square feet of office, retail and industrial properties. Hunt has 16 offices throughout the United States and 3 abroad. To learn more about Hunt, please visit [www.huntcompanies.com](http://www.huntcompanies.com).

## **ABOUT HOUSING AUTHORITY OF CITY OF EL PASO**

As a high performing public housing authority (PHA) that assists more than 40,000 El Pasoans, the Housing Authority of the City of El Paso (HACEP) has become the 14th largest PHA in the United States and the largest in the State of Texas. It provides 6,100 public housing units, 495 Section 8 New Construction units, 1,288 tax credit and non-subsidized units, and 5,600 Housing Choice Vouchers. HACEP was created on February 17, 1938, by statute to provide low-income residents of the City of El Paso with access to low-cost housing to develop, acquire, lease and operate affordable housing for the residents of El Paso with limited income. HACEP is committed to offering residents a hand up rather than just a hand out and encourages residents to improve their social, educational, and economic opportunities on their way to self-sufficiency and economic independence. For more

information, visit [www.hacep.org](http://www.hacep.org).