



HUDSON VALLEY

REDSTONE™



N E W S R E L E A S E
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Hudson Valley Property Group, Red Stone and Wheelock Street Capital acquire and preserve 1,009 units of New Jersey affordable housing

New Jersey, February 16, 2017 – Hudson Valley Property Group LLC (“HVPG”) and Red Stone Companies, LLC, in joint venture with Wheelock Street Capital, acquired 1,009 units of New Jersey senior and family affordable housing located throughout northern New Jersey. The seven properties are subsidized through US Department of Housing and Urban Development project-based Section 8 contracts. The acquisition is the first phase of a long-term preservation plan that will include thoughtful and sustainable upgrades to the properties in the years to come. HVPG is a New York City based affordable housing preservation firm. Red Stone was responsible for securing the debt financing and worked closely with HVPG to assemble the capital stack for the transaction. Wheelock Street Capital provided the majority of the equity capital. The debt was funded by utilizing a unique financing facility structured by Walker & Dunlop and Fannie Mae. The New Jersey-based property management company, Community Realty Management, assumed operations while retaining a majority of the existing management staff at each of the sites.

This transaction, which was valued at over \$180 million, demonstrates a creative financing execution to preserve New Jersey’s aging supply of affordable housing without relying on limited state public funds. The properties are located in the towns of Hazlet, East Orange, Metuchen, Old Bridge, Orange, Windsor and Paterson. It is estimated that portfolio houses a total of 2,500 residents. The municipalities where these properties reside have been supportive of the preservation of the portfolio. The joint venture plans to hold the properties long-term and pursue renovations and sustainable upgrades based on the physical needs at each of the sites.

“The previous owners built an impressive organization and team providing much needed affordable housing throughout New Jersey. We are excited to have the opportunity to carry on their legacy, and to preserve these properties for decades to come. We look forward to working closely with NJHMFA, HUD and the management staff to maintain each of the properties as quality affordable housing for these New Jersey communities.” **Jason Bordainick, Managing Partner, Hudson Valley Property Group**

“Red Stone has always strived to develop creative solutions for our partners and clients specifically focused on investment in affordable housing communities. In this case, we are especially excited to have leveraged our relationship with Walker and Dunlop and Fannie Mae to structure and participate in a flexible multiple-party debt/equity capital stack to maximize the opportunity on this acquisition and preservation of over 1,000 affordable housing units in the State of New Jersey.” **Brian Renzi, Managing Director, Red Stone Companies, LLC**

"Wheelock is excited to be making a substantial investment in the affordable housing sector through the purchase of this well maintained portfolio, in partnership with Hudson Valley and Red Stone. We were drawn to the defensibility of the portfolio's income, and strength of the submarkets for longer term upside, and are proud to support and maintain affordable housing in these communities." **Ayesha Menon, Principal, Wheelock Street Capital**

The portfolio was listed and brokered by SVN AFFORDABLE | Levental Realty and the transaction was led by Managing Director, Gene Levental and Senior Advisor, Jamie Renzenbrink. The law firms of Nixon Peabody, Berman Indictor and Goodwin Procter represented the joint venture in the transaction.

About Hudson Valley Property Group LLC

Hudson Valley Property Group (www.hvpg.com) is a New York based owner and developer of affordable housing with multifamily holdings throughout the East Coast. The firm's mission is to provide quality well-managed affordable and workforce housing to the communities it serves through investment in and rehabilitation of affordable housing. HVPG has specific focus and expertise in affordable housing solutions including government subsidy programs and innovative financing structures to preserve aged buildings at risk of losing affordability. HVPG takes a curated and flexible approach to working with management, development and government partners, always prioritizing the needs of the residents.

About Red Stone Companies, LLC

Red Stone is a national real estate finance company which specializes in tax-exempt bond financing. In addition to Red Stone's core tax-exempt bond business, the firm also offers bridge lending, mezzanine financing, and other creative financial products for the affordable housing industry. Red Stone Tax-Exempt Funding LLC—through its Red Stone Direct platform—is a direct purchaser of tax-exempt bonds used for the construction, preservation, and refinancing of affordable multifamily properties nationwide.

About Wheelock Street Capital

Wheelock Street Capital (www.wheelockst.com) was formed in 2008 by Rick Kleeman and Jonathan Paul, two veteran real estate private equity investors, each with over 25 years of broad real estate transaction experience across all major asset classes. Wheelock has since raised over \$2 billion in capital commitments and is currently investing its fifth fund comprising \$725 million of commitments from leading pension funds, endowments and foundations. Wheelock will invest in a broad range of real estate assets throughout the United States. The fund may invest directly or with high quality joint venture partners through a variety of capital structures and transaction types, including acquisitions, restructurings, and recapitalizations.