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Hunt Capital Partners and Durham Housing Authority Use RAD to Renovate 177-Unit Senior Complex

DURHAM, N.C., Jan. 28, 2021—Hunt Capital Partners, Durham Housing Authority, and California Commercial Investment Group Inc. announced the closing of \$7.5 million in low-income housing tax credit equity financing for the acquisition and rehabilitation of J.J. Henderson Senior Apartments located in Durham, N.C. This is a Rental Assistance Demonstration (RAD) transaction, a program administered through the U.S. Department of Housing and Urban Development (HUD). By utilizing RAD, Durham Housing Authority gains access to more public and private funding resources to refurbish and preserve J.J. Henderson Senior Apartments. Additionally, J.J. Henderson Senior Apartments converts from a public subsidy contract to a long-term Project-Based Rental Assistance Section 8 Housing Assistance Payment (HAP) contract.



Situated on 1.83 acres, J.J. Henderson Senior Apartments is an existing public housing property featuring a nine-story residential complex that contains 177 units for seniors 62 and older, or any age if disabled. It is currently 98 percent occupied and has a waiting list of six to 12 months. This will be the first major rehabilitation of J.J. Henderson Senior Apartments since it was built in 1978. Rehabilitation will include ADA and energy efficient upgrades in the units and community room as well as upgrades to the exterior of the building. Work will also include demolition of the one-story auditorium wing of the building.

“Durham Mayor Steve Schewel has been a vocal supporter of the importance of both building more affordable housing as well as supporting the redevelopment of Durham Housing Authority’s aging portfolio that serves 6,000 residents,” said Hunt Capital Partners Executive Managing Director Dana Mayo. “We are pleased to partner with the Durham Housing Authority and California Commercial Investment Group to make this a reality for the J.J. Henderson Senior Apartments site. We also thank our investor Signature Bank for their significant contribution.”

“Signature Bank is proud to participate in the restoration of J.J. Henderson Senior Apartments,

making 177 quality affordable housing units available for senior citizens. Community reinvestment efforts, which help further strengthen the markets we serve, have always been paramount to our institution. We believe that community development complements our business operations and affords us the chance to give back to markets that support our franchise,” noted Joseph J. DePaolo, President and Chief Executive Officer at Signature Bank.

California Commercial Investment Group and its affiliates are serving as the developer and management agent for the project. Clancy & Theys Construction Company is the general contractor, and MHAworks is project architect. Construction work is anticipated to begin April 2021 and is scheduled for completion in December 2022.

When completed, J.J. Henderson Senior Apartments will offer 141 studio and 36 one-bedroom units restricted to senior households earning 30 and 60 percent of the area median income. The unit mix includes nine mobility-impaired units and 18 accessible units for persons with disabilities or homeless populations. Additionally, 133 units at J.J. Henderson Senior Apartments will benefit from a Section 8 HAP contract and 44 will be covered by a HAP contract through HUD’s Section 18 program. Health screenings, arts and crafts events, transportation and other basic resident services will be provided to residents through the Durham Housing Authority housing program.

The total development cost for J.J. Henderson Senior Apartments is \$31.2 million of which \$12.5 million are hard costs related to renovation. Hunt Capital Partners facilitated the federal tax credits through its proprietary fund with Signature Bank, called Hunt Capital Partners Tax Credit Fund 39. Citibank, N.A. also provided a tax-exempt construction bond loan of \$15.4 million. Orix Real Estate Capital provided a \$2.2 million construction loan as well as a HUD 221d(4) construction to permanent loan of \$7.2 million. Other sources include a seller note of \$11.7 million and a Durham Housing Authority soft loan of \$2.9 million.

About Hunt Capital Partners

Hunt Capital Partners (HCP) is the tax credit syndication division of Hunt Companies, Inc. (Hunt). HCP specializes in the sponsorship of Federal and State Low-Income Housing, Historic, and Solar Tax Credit Investments funds. Since its inception in 2010, HCP has raised over \$2.2 billion in tax credit equity in over 40 proprietary and multi-investor funds. HCP manages almost 800 project partnerships representing over 80,000 homes in 51 states and territories. Founded in 1947, Hunt is a privately held company that invests in businesses focused in the real estate and infrastructure markets. The activities of Hunt’s affiliates and investors include investment management, asset management, property management, development, construction, consulting and advisory. For more information on HCP, please visit www.huntcapitalpartners.com, or for Hunt, please visit www.huntcompanies.com.