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Hunt Capital Partners Provides LIHTC Financing to Preserve 120-Unit Missouri Affordable Housing Development

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KANSAS CITY, Mo., June 14, 2022 – Hunt Capital Partners, in collaboration with McCormack Baron Salazar, announced the closing of \$5.11 million in four percent federal low-income housing tax credit equity financing for the acquisition and rehabilitation of Villa del Sol Apartments. Situated on 9.1 acres in Kansas City, Mo., Villa del Sol Apartments is an existing 120-unit affordable housing development spread across six two-story, garden-style residential buildings, 40 two-story townhome buildings, and a one-story management office. The LIHTC investment will fund renovations to the apartments, which were originally built in 1999.

“Downtown Kansas City is in the middle of a renaissance,” said Hunt Capital Partners Executive Managing Director Dana Mayo. “The city has made critical improvements to its downtown area, over the last ten years, including more than \$9 billion in infrastructure investments. Villa del Sol Apartments represents an important investment in preserving affordable housing to increase accessibility, opportunity and quality of life for dozens of families.”

McCormack Baron Salazar Inc. is the sponsor, managing general partner and developer for Villa del Sol; its affiliate is also the property manager. E.M. Harris Construction Company is the general contractor, and Rosemann and Associates is the project architect. The scope of Villa del Sol Apartments’ rehabilitation includes significant work on each building’s exterior, such as foundation repairs, resurfacing, painting, etc., as well as interior work on kitchen hardware, flooring, plumbing, HVAC replacements, and more.

Once completed in October 2023, Villa del Sol Apartments will reserve 92 units for households earning up to 50 and 60 percent of the area median income and offer 28 market rate units. Six units will be fully ADA accessible. Upon completion, 65 of the affordable units will convert from a public housing subsidy to long-term, project-based rental subsidies. Of the 65 public housing units to be converted, 52 will benefit from a 20-Year, Project-Based Section 8 Rental Assistance (PBRA) contract through HUD's Rental Assistance Demonstration (RAD) program. The remaining 13 units will benefit from a Housing Assistance Payments contract through HUD's Section 18 program.

The total development cost for Villa del Sol Apartments is \$21.29 million. Hunt Capital Partners syndicated the federal tax credits through its proprietary fund with UMB Bank, Hunt Capital Partners Tax Credit Fund 36.

"UMB Bank is honored to take part in the financing of the rehabilitation of the Villa Del Sol community, which provides critical, high-quality and safe affordable housing to families in the Kansas City area," said Tracy Howren, CRE Regional Manager and Director of Affordable Lending at UMB Bank. "This renovation will enhance and improve the lives of Villa Del Sol's residents for many years to come. UMB is very proud to assist in fulfilling this vision alongside Hunt Capital Partners."

UMB Bank also provided a \$9.5 million tax-exempt construction bond loan. Gershman Mortgage provided a \$6.94 million HUD 221(d)4 construction to permanent loan. Other financing sources include a \$3.57 million loan from the Housing Authority of Kansas City, a \$670,000 HOME loan from the City of Kansas, a \$2.62 million construction to permanent loan from the general partner as well as a \$1.63 million seller note.

Environmental Social and Corporate Governance ("ESG") Investing

Hunt Capital Partners recognizes that its institutional investors are seeking to increase the social value of their investments to help further their ESG initiatives. An investment in affordable housing not only improves the living conditions of its residents, but it also helps to remove obstacles that stand in the way of creating a healthy, safe and stable home environment for low-income families and seniors. When families spend less on housing related expenses, they have more resources available for other essentials such as food and clothing, or even extracurricular activities and educational programs. One of the most significant benefits to providing quality affordable housing is an increase in an individual's physical and mental health. Hunt Capital Partners' affordable housing investments create a lasting effect on the people and communities they serve for generations to come.

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 \$2.6 billion in tax credit equity in over 43 proprietary and multi-investor funds. HCP manages almost 760 project partnerships representing over 75,000 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.