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Hunt Companies Receives HACEP Public-Private Partnership Award

Hunt Companies, Inc. (“Hunt”) has been recognized by the Housing Authority of the City of El Paso (“HACEP”) for more than forty years of partnership. On February 16, 2018, Hunt received the Public-Private Partnership Award from HACEP at its 80th Anniversary Gala celebration.

Over the past forty years, Hunt has partnered with HACEP in several development projects, including the most notable referred to as El Paso RAD I, an investment of \$324 Million to transform 1,590 homes. Hunt’s wholly owned subsidiaries and affiliates involved in this effort included Hunt Development Group, the development manager and Moss, a construction management company, the project’s master subcontractor. Also involved were Hunt Mortgage Group providing the debt through a Freddie Mac tax-exempt loan direct purchase program, and Hunt Capital Partners, who syndicated \$82M of federal low income housing tax credits, the largest low income housing tax credit allocation ever awarded in the State of Texas. This partnership resulted in the largest single ‘private activity bond’ ever issued by the Texas Bond Review Board, thus named “The Bond Buyer of the Year” award in 2015.

“The Hunt Family of Companies sincerely appreciates the opportunities we have had over the last 40 years to provide much needed, quality, affordable housing to the deserving citizens of El Paso,” said Robin Vaughn, President of Hunt’s Public Infrastructure Capital Markets division, “Hunt is honored to receive HACEP’s Public-Private Partnership Award in recognition of our many successful partnerships. The El Paso RAD I project has demonstrated to the nation the possibilities of and set the standard for affordable housing preservation well into the future.”

“The strength and innovation of our revitalization effort through the Rental Assistance Demonstration program is only as strong as the partnerships we have created along the way,” shares HACEP Chief Executive Officer Gerald Cichon. “Hunt Companies was integral in laying the foundation work in our first major phase of our RAD effort and helped create the template for a true public-private partnership.”

In addition to the El Paso RAD 1 project, Hunt and its affiliates have engaged with HACEP on other initiatives. In particular, Hunt Capital Partners has participated in a total of seven overall partnerships for 2,335 units. This engagement represents over a third of all of HACEP's units to be revitalized under RAD. Hunt is also working to participate in HACEP's planned future developments.

"We are proud of our long-term relationship with HACEP. In fact, our partnership moving forward has been mapped out for the next 15 years," said Jeffery Weiss, President of Hunt Capital Partners. "We look forward to participating in HACEP's future developments."

The Rental Assistance Demonstration (RAD) program is an initiative created by the United States Department of Housing and Urban Development (HUD) that allows public housing authorities, or PHAs, to leverage public and private debt and equity in order to redevelop their aging public housing stock. The RAD program became an imperative move for HUD as they were losing on average 10,000 low-income housing units annually to demolition and disposition due to poor conditions all throughout the U.S. This need translated into a \$26 Billion backlog of capital needs to fix the housing units. Authorized by U.S. Congress under the FY12 HUD Appropriations Act, RAD allows PHAs and owners of other HUD-assisted properties to convert low-income housing units from their original sources of HUD financing to long-term, project-based rental assistance, or PBRA, Section 8 contracts – a more sustainable source of funding. This conversion guarantees funding subsidies, unaffected by year-to-year appropriation adjustments, for the next 15 to 20 years. HUD introduced the RAD program in 2013 with an initial capacity of 60,000 units. After realizing that this need-turned-trend became a more suitable model for PHAs, the Appropriations Act of 2015 by HUD expanded the program's cap to 185,000 units.

HACEP divided its RAD initiative into three major phases, or 'tranches' affectionately used by HACEP, that would go through year 2020. HACEP partnered with Hunt for Tranche 1, in which the first 13 communities – 1,590 affordable housing units – were bundled under one RAD contract. With the help of public-private partnerships and municipal bond experts at Bracewell & Giuliani LLP, HACEP closed on the issuance of \$125 Million in private-activity, tax-exempt multi-family housing revenue bonds in April 2015 that provided a large portion of the financing for Tranche 1.

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About Hunt Companies, Inc.

Founded in 1947, Hunt Companies, Inc. is today a holding company that invests in businesses focused in the real estate and infrastructure markets. The activities of Hunt's affiliates and investees include investment management, mortgage banking, direct lending, loan servicing, asset management, property management, development, construction, consulting and advisory. To learn

more about Hunt, please visit www.huntcompanies.com.

About the Housing Authority of the City of El Paso

The Housing Authority of the City El Paso, TX (HACEP), the 14th largest housing authority in the United States and manages the 2nd largest public housing portfolio in Texas. Home to the first NetZero, fossil fuel free, LEED Platinum affordable housing community in the U.S., HACEP provides high-quality housing assistance to over 40,000 low-income El Pasoans through its Public Housing, Housing Choice Voucher, Tax Credit, Non-Subsidized and Section 8 New Construction programs.

About Moss

Moss (www.mosscm.com) is a national privately held construction firm providing innovative solutions resulting in award-winning projects. With regional offices across the United States, Moss focuses on construction management at-risk, design-build and public-private partnerships. The company's diverse portfolio encompasses a wide range of sectors, including luxury high-rise residential, landmark mixed-use developments, hospitality, primary and higher education, justice and solar energy. Moss prides itself on a strong entrepreneurial culture that honors safety, quality, client engagement and employee development. Its employees consistently rank Moss as one of the best places to work. Its employees consistently rank Moss as one of the best places to work. For more information about Moss, visit www.mosscm.com.