



# NJ SECTION 8 PORTFOLIO

Project-based Section 8



PORTFOLIO  
ACQUISITION



VARIOUS, NJ



1,009 UNITS



SENIORS & FAMILY

- Triangle Village, Paterson, NJ
- St. James Village, East Windsor, NJ
- Orange Park Apartments, Orange, NJ
- Old Bridge Rotary Senior Citizens, Old Bridge, NJ
- Metuchen Senior Citizens, Metuchen, NJ
- Grove Street, East Orange, NJ
- Bethany Towers, Hazlet, NJ

## PORTFOLIO DESCRIPTION:

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 former owner was a legacy owner that was looking to exit to the affordable housing space. The seller (who also owned a management subsidiary that operated the properties) wished to maximize sale proceeds, while also ensuring that a thoughtful transition and post-disposition plan was implemented for the existing onsite staff.

## HVPG EXECUTION:

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. The transaction was financed with a significant private equity investment and 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 demonstrates a creative financing execution to preserve New Jersey's aging supply of affordable housing without relying on limited state public funds. It is estimated that the 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.

## FINANCING AND SUBSIDY:

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, with contributions from HVPG and RS. The debt was funded by utilizing a unique financing facility structured by Walker & Dunlop and Fannie Mae.

All seven of the properties receive rental subsidy through project-based Section 8 contracts.

