

CDT Invests in \$1.2 Billion Acquisition Preserving More Than 10,000 Affordable Housing Units
Joint Venture Partnership Known as *Essential Housing Impact Partnership* Acquires 90 Communities
Across Eight States

(New York, April 24, 2023) The Community Development Trust (“CDT”), together with The Michaels Organization (“Michaels”) and Goldman Sachs Urban Investment Group (“UIG”), have completed the purchase of 90 affordable housing communities, a \$1.2 billion acquisition that will ensure long-term affordability for the residents of more than 10,000 units of quality affordable housing.



This joint venture partnership, known as the *Essential Housing Impact Partnership* (“EHIP”), results in the long-term preservation of more than 10,000 apartment units affordable to families and seniors with very low, low, and moderate incomes. Essential Housing is CDT’s largest acquisition to date, and nearly doubles CDT’s total equity assets under management, now just over 22,000 units.

The EHIP portfolio consists of 90 properties located across eight states: Florida, Illinois, Indiana, Kentucky, New York, South Carolina, Texas, and Wisconsin. Most of the properties were built or rehabilitated with Low Income Housing Tax Credits (“LIHTC”) and are primarily in their extended-use compliance periods. This diverse portfolio ranges from high-cost primary metropolitan cities to ex-urban/rural communities, many of which offer limited quality affordable housing options.

“By partnering with like-minded organizations in Michaels and UIG, we were able to assemble the critical resources needed to complete this major preservation transaction. Through this partnership, these properties will remain viable affordable communities – providing over 30,000 residents with quality affordable housing - for the long term,” said Joseph F. Reilly, President and Chief Executive Officer of CDT.

The common goals of the EHIP partners are critical to this preservation transaction. Because affordability restrictions are scheduled to expire in the near term on a significant portion of the portfolio, much of this housing was potentially at risk of losing affordability restrictions. Under the stewardship of CDT and its partners, preservation of this portfolio’s long-term affordability will now be ensured.

Michael Lear, Chief Business Development Officer for CDT, added, “CDT is proud to be part of this large-scale acquisition to preserve critical affordable housing alongside nationally renowned housing leaders. The ability to acquire a diversified portfolio with partners and a business plan having clear, mission-centered intent was extremely attractive to CDT. With CDT’s 25-year track record of providing mission-focused capital in affordable housing throughout the country, we bring critical expertise and leadership to this large-scale investment and are excited to steward the next phase of these properties as quality affordable housing serving over 30,000 residents.”

Through EHIP, the portfolio will benefit from a combination of initial capital improvements, environmental resiliency upgrades, and a long-term capital repair program.

“We are proud to be part of EHIP joint venture, a partnership designed to bring fresh resources to one of the largest preservation transactions in our industry’s history. This new partnership will ensure the long-term affordability of these communities for generations to come,” said John J. O’Donnell, Chief Executive Officer of The Michaels Organization.

The \$1.2 billion portfolio was closed with assumed in-place debt and a significant joint investment of equity from UIG, Michaels and CDT, the three joint venture partners. EHIP is one of the largest majority fee-simple acquisitions of a LIHTC affordable housing portfolio in history.

The portfolio provides quality affordable housing for both seniors and families, with approximately 20% serving seniors and 80% serving families. Better Tomorrows, a New Jersey-based nonprofit that works to alleviate poverty by providing supportive services, programs, and case management to affordable housing residents, will manage social service provisions across the portfolio.

In addition to their ownership role, Michaels will also assume property management responsibilities for the portfolio.

“We couldn’t be more excited to partner with The Michaels Organization and Community Development Trust to preserve much-needed affordable housing across more than 10,000 apartment units,” said Dan Alger, a Managing Director and co-head of the Urban Investment Group within Goldman Sachs Asset Management. “The preservation of high-quality, affordable housing has never been more important than it is today, and the acquisition of this portfolio allows us to do just that – and to do it at scale, with a real focus on promoting positive outcomes for the residents in these communities.”

About The Community Development Trust (“CDT”):

The [Community Development Trust](#) (“CDT”) is a national investor that provides long-term capital for the preservation and creation of affordable housing and charter school facilities. Working with local, regional, and national partners, CDT makes long-term equity investments and originates and acquires long-term mortgages. Now in its 25th year, CDT has \$3.7 billion under management in debt and equity capital for properties in 45 states and regions. CDT’s total current investments help to create and preserve more than 38,000 units of affordable housing; providing homes for more than 130,000 residents. CDT is a private real estate investment trust (“REIT”) and a certified community development financial institution (“CDFI”).

About The Michaels Organization (“Michaels”):

Michaels is a national leader in residential real estate, with full-service capability in development, property and asset management, construction, acquisitions, and investment. With a national footprint that stretches across 39 states, the District of Columbia and the U.S. Virgin Islands, Michaels offers comprehensive solutions that jumpstart housing, education, civic engagement, and neighborhood prosperity, and is committed to creating Communities that Lift Lives. Follow us on [LinkedIn](#).

About the Goldman Sachs Asset Management Urban Investment Group (“UIG”):

Bringing together traditional and alternative investments, Goldman Sachs Asset Management provides clients around the world with a dedicated partnership and focus on long-term performance. As the primary investing area within Goldman Sachs (NYSE: GS), we deliver investment and advisory services for the world’s leading institutions, financial advisors, and individuals, drawing from our deeply connected global network and tailored expert insights, across every region and market—overseeing more than \$2.5 trillion in assets under supervision worldwide as of December 31, 2022. Driven by a passion for our clients’ performance, we seek to build long-term relationships based on conviction, sustainable outcomes, and shared success over time. Goldman Sachs Asset Management invests in the full spectrum of alternatives, including private equity, growth equity, private credit, real estate, and infrastructure. Established in 2001, the Urban Investment Group (“UIG”) within Goldman Sachs Asset Management has committed over \$10 billion through real estate projects, social enterprises and lending facilities for small businesses and students, creating economic value and opportunities for underserved communities and families. Follow us on [LinkedIn](#).