The Community Development Trust

New York, New York

The Community Development Trust (CDT) is the country’s first and largest Real Estate Investment Trust (REIT) devoted to the development and preservation of affordable rental housing for economically disadvantaged individuals and families. As a national Community Development Financial Institution (CDFI), CDT also helps stabilize and revitalize the existing housing stock in communities nationwide. After over 14 years of operations, CDT has invested or committed an estimated $950 million in debt and equity capital to properties in 42 states and regions, helping to preserve or add over 33,000 units to the nation’s affordable housing stock.

CDT makes equity investments and direct loans to affordable rental housing developments and purchases mortgages originated by CDFIs and other lenders. Under its Lending Program, CDT provides fixed-rate, forward commitments for newly constructed or substantially renovated housing developments financed with the Low-Income Housing Tax Credit (LIHTC). The program also provides immediate funding for fixed-rate loans to stabilized projects and seven- to 30-year term mortgages. CDT purchases portfolios of seasoned loans on affordable rental communities and works with a network of community lenders, including other CDFIs, consortia, commercial banks, and housing finance agencies. With its Equity Investment Program, CDT acquires affordable housing developments—financed by LIHTC or the U.S. Department of Housing and Urban Development’s (HUD) Project-Based Section 8 program—to keep the properties available to and affordable for lower-income households. CDT provides training to help other CDFIs better understand the secondary market and develop loan products that can be structured for sale.

As a private, mission-driven REIT and CDFI, CDT has demonstrated the ability to preserve and expand the supply of affordable housing, while also earning attractive returns for its shareholders. CDT is a Fannie Mae Affordable Housing lender, member of the New York Federal Home Loan Bank, and awardee in the inaugural round of the CDFI Bond Guarantee Program.

Pleasant View Apartments

In 2012, CDT formed a joint venture with LINC Housing, a nonprofit, affordable housing developer, to acquire and rehabilitate the Pleasant View Apartments, a 60-unit development in Fresno, California. LINC Housing had traditionally relied on federal and state tax credits to finance the development and preservation of affordable rental housing. However, LINC Housing struggled to find new ways to generate the financing it needed in a difficult economic climate.

CDT provided $900,000 of equity to LINC Housing to rehabilitate the property. With a total project cost of $4.8 million, LINC Housing used this equity, along with a loan from the Low Income Investment Fund (LIIF) and a Federal Housing Administration (FHA) Section 223(f) loan, to replace the roof and windows, remodel kitchens, and construct a new community center.

“Thanks to CDT’s capital investment, together, we are able to preserve and improve these affordable apartments,” said Mr. Hunter Johnson, President and CEO of LINC Housing.

With CDT’s support, all 60 units are affordable to lower-income households, earning less than 60 percent of the Area Median Income (AMI). This is critical in an area where the median income is just 63 percent of AMI and where the unemployment rate hovers above 17 percent.