



Capital on a Mission

# Casino Lane Apartments Case Study Everett, WA

National Housing & Rehabilitation Association

SPRING DEVELOPERS FORUM

Tuesday, May 17, 2016 – 9:30AM

Jim Gillespie, SVP  
646-829-1157 office  
[jgillespie@bwecap.com](mailto:jgillespie@bwecap.com)

Corey Baldwin, Developer  
425-454-8205 office  
[coreyb@shelterresourcesinc.com](mailto:coreyb@shelterresourcesinc.com)



**SHELTER**  
RESOURCES, INC.

**Bellwether™**  
**Enterprise**

- Headquartered in Bellevue, WA
- 35 year history
- 5,800+ units in Washington, Oregon, Idaho and Alaska
- 2,200 units of senior housing







## Casino Lane Apartments *Everett, WA*

96 Units, built 1980

Market rate with 10-year ownership

Located in Qualified Census Tract

~50% of existing residents earn less than  
60% of Area Median Income

In-place rents 15-20% below maximum  
allowable 60% rents

City's Consolidated Plan prevented LIHTC  
syndication

# Everett, WA



## **The Opportunity:**

Acquire a “naturally affordable” value-add property in the Seattle metro, work with City government to modify its Consolidated Plan to effectuate a LIHTC syndication.

## **The Solution:**

Acquire property utilizing JV equity with Enterprise Opportunity Fund, and a Fannie 7/4 ARM (with self imposed affordability restrictions).



# Permanent Loan



Perm Lender: Bellwether Enterprise (Fannie Mae Affordable)  
Closing: February 2016  
Loan Amount: \$7,680,000

- 80% LTV
- 1.20 DSCR (1.43 Actual DSCR)
- 7 year term
- 1 year lock-out
- 30 year amortization
- Variable rate of 3.22% over 1-Month LIBOR
- Interest rate cap of 5.72%

Self imposed regulatory agreement allowed property to benefit from Fannie affordable housing underwriting.

*Bellwether Loan Originator: Suzie Cope*  
*p: 216.820.4634 e: scope@bwecap.com*

A newly formed partnership between Sponsor and Enterprise Multifamily Opportunity Fund

**Private Equity: \$ 3,035,000**

Enterprise Multifamily Opportunity Fund (**80%**), Sponsor (20%)

8.50% return on initial capital contributions

Thereafter, 50/50 split of cash flow

Exit after 1 year hold period: Sponsor can exercise a sale of the Enterprise interest once an allocation of LIHTCs has been received.

Exit after 5 year hold period: The members can exercise a sale option and the Sponsor has the first right to purchase the property.