

Pre-Conference Symposium on Multifamily Tax-Exempt Bond Strategies

NH&RA Annual Meeting

Wednesday, February 26, 2020



Del Monte Manor – Seaside, CA



192 units

98 units (51%) Section 8 HAP

20 Year MUTM HAP renewal (effective 11/1/2019)

Income averaging

\$28,500,000 rehab budget (\$148,438 per unit)

Single-Asset Mission Driven Ownership (since 1969)

For-Profit Development Partner with extensive affordable experience



BWE Direct Bond Purchase

Single source of construction & permanent financing

Tax Exempt Bonds (Issuer: California Municipal Finance Authority “CMFA”)

\$44,000,000 Construction (Draw Down, 4.40% fixed rate)

\$22,500,000 Permanent

- 90% LTV (max) / 1.15 DSCR -- 65% LTV / 1.21 DSCR actual
- 16 year term
- 40 year amortization (2 Years Interest Only)
- 4.25% fixed rate

Tax Credit Equity: \$27,371,500

Syndicator: Enterprise Community Investment, Inc.

Seller Note: \$28,700,000

Increased tax credit equity; No additional subordinate financing; Cash at closing bolstered non-profit sponsor’s balance sheet

Total Project Costs: \$83,600,000

Eastern Park – San Francisco, CA



201 units

100% project-based Section 8

20 Year MUTM HAP renewal (effective May 1, 2019)

Seniors (62+) designation

Existing HUD 202 loan in-place

Tenant in-place rehab (approx. \$212,000/unit)

Mission-driven long-term ownership (since 1979)

- Strong balance sheet; experienced affordable developer

Agency Forward Commitment

Taxable Construction Loan provided by Upper Tier Equity Investor (JP Morgan Chase)

Tax Exempt Bonds (Issuer: City of San Francisco, CA)

\$84,840,000 Construction

\$60,006,000 Permanent (Fannie Mae M.TEBs)

- 36 month Forward Commitment
- 16 Year Term
- 35 Year Amort (approval for 40 year)
- Fixed Rate of 3.91%

Tax Credit Equity: \$51,288,050

Syndicator: Enterprise Community Investment, Inc. (JP Morgan Chase upper tier investor)

Seller Note: \$52,050,000 at closing; Paid down to \$25,500,000 at conversion/stabilization

Increased tax credit equity enhancing funding sources to fund acquisition/rehabilitation costs

No additional third-party subordinate financing required

Total Project Costs: \$171,150,000



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