CASE STUDY

FINANCING FOR CAMAS FLATS APARTMENTS

JULY 1, 2024

$8,200,000 | MULTIFAMILY TAX-EXEMPT MORTGAGE-BACKED BONDS | SERIES 2024A (FN)

Washington State Housing Finance Commission | Oak Harbor, Washington

CAMAS FLATS APARTMENTS

Client Profile

The developer is SRI-Blueridge Pacific, LLC (the "Developer"), a wholly owned subsidiary of Shelter Resources, Inc., a Washington corporation ("SRI"). SRI was started in 1980 and has more than 40 years of experience in affordable housing and multifamily development. The development team has developed more than 6,100 units in more than five states. The president of SRI is Len Brannen, an industry veteran who has developed, acquired, owned and operated over 6,100 units of workforce and senior housing over a 35-year history. The vice president of SRI, Chris Eisenzimmer, has played a key role in the development and redevelopment of over 6,000 units around the United States. The co-developer is The Opportunity Council, Washington (the "Co-Developer"). The Co-Developer is a private, non-profit community action agency in the state of Washington and has approximately 60 years of experience building communities in Northwest Washington.

The Project & Structure

The Project, known as Camas Flats, is located in Oak Harbor, Washington, on an approximately 5.12-acre site.

The Project will consist of 11 buildings, including 10 buildings with 82 residential units and a standalone community building.

Site amenities will include: playground areas for various ages of children and families, landscaped courtyards between buildings, bike racks, dog walk areas and open space. There will be 143 parking spaces, including 11 visitor spaces, for resident use only.

The New Construction of the Project is anticipated to commence in July 2024 and be completed approximately 17 months later.

These are monthly pay bonds which "pass-through" the principal and interest payments from the Fannie Mae permanent mortgage to the bondholders following the delivery of the permanent loan.

The bonds have an August 1, 2043, Bond Maturity Date, which includes a 30-month forward period for construction.

The Bonds have monthly interest payments commencing August 26, 2024, with ACT/360 interest accrual and monthly principal payments commencing September 26, 2027.

At conversion, the Trustee will purchase the MBS.

The Servicer will collect mortgage payments on the MBS and pass-through principal and interest payments to the Trustee, who will pass those payments through to Bond Holders.

The Bonds are rated "Aaa" by Moody's.

There was a corresponding series of cash collateralized bonds, Series 2024B, that was included in this deal in order to pass the 50% test.

Pricing Results

Stifel was the sole underwriter of this transaction.

The Bonds were publicly offered and sold at par with a 4.55% coupon.

Stifel was able to connect with a variety of investors across multiple states to sell these bonds.

The Bonds were initially marketed at a rate of 4.60%. After the order period, the bonds were oversubscribed, and the rate was cut 5 bps to a 4.55%.

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