

CASE STUDY

FINANCING FOR MONTEREY VILLAGE APARTMENTS

JULY 1, 2024



\$7,370,000 | MULTIFAMILY TAXABLE MORTGAGE-BACKED BONDS | SERIES 2024 (FN)

Housing Authority of the City of Norwalk | Norwalk, Connecticut

MONTEREY VILLAGE APARTMENTS

Client Profile

Hopmeadow Development, Inc., a Connecticut corporation (the “Developer”), will act as the developer for the Project. The Developer is wholly owned by Vesta Corporation. Vesta Corporation and its founders have more than 43 years of experience in affordable housing and multifamily development. Vesta Corporation has developed more than 20 developments across five states and owns and/or operates 44 affordable housing communities totaling over 8,400 units. The Developer is experienced in all aspects of affordable housing development, finance, and management including effective use of federal, state, and local government assistance programs.

The Project & Structure

The Project, known as Monterey Village Apartments, is located in Norwalk, Connecticut, on an approximately 8.36-acre site.

The building construction consists of 14 buildings, including 161 residential units with community space.

Common area improvements will include: an office, community room, and laundry room. There are 232 parking spaces for resident use only.

Rehabilitation of the Project is anticipated to commence in July 2024 and be completed approximately 20 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, 2042, 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 FNMA MBS Secured Bonds, Series 2024, that was included in this deal.

Pricing Results

Stifel was the sole underwriter of this transaction.

The Bonds were publicly offered and sold at par with a 5.42% coupon.

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

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