

CASE STUDY

FINANCING FOR GIBSON DRIVE APARTMENTS

JUNE 6, 2024



\$68,385,000 | MULTIFAMILY HOUSING REVENUE BONDS | SERIES 2024A

California Municipal Finance Authority | Roseville, California

GIBSON DRIVE APARTMENTS

Client Profile

Roseville Affordable Developer, LLC, a California limited liability company (the “Developer”), will act as the developer for the Project. The Developer is substantially owned by Shea Properties Management Company, a Delaware corporation (“Shea Properties”). Shea Properties operates approximately 12,000 apartment units and 6.3 million square feet of office, industrial, and retail space in California, Colorado, and Washington, with a strong pipeline of future projects.

The Project & Structure

The Project, known as Gibson Drive Apartments, is located in Roseville, California, on an approximately 19.5-acre site.

The Project contains 356 apartment units (including four manager’s units) located in 18 residential buildings as well as a clubhouse, fitness center, pool, playground,

landscaped courtyards with picnic areas, community garden, and walking paths to encourage outdoor physical activity. There are 240 carports and 412 surface parking spaces for resident use only.

The construction of the Project commenced in June 2024 and is expected to be completed approximately 28 months later.

Semi-annual interest payments (30/360 accrual).

Semi-annual principal payments commencing June 1, 2031, paid according to a sinking fund schedule.

10-year Par Call.

Prior to conversion, the Bonds will be secured by Eligible Funds, which, along with investment earnings thereon, are expected to be sufficient to pay interest on the Bonds.

Following conversion, the Bonds will be secured by guaranteed payments under a Direct Pay Irrevocable Transferable Credit Enhancement Instrument.

On each semi-annual Bond Payment Date, the Trustee will draw on the Credit Instrument to make payments to Bond Holders.

The Bonds are rated “Aaa” by Moody’s.

Simultaneously, Stifel sold Series 2024B, a corresponding series of cash collateralized bonds included to meet the 50% test.

Pricing Results

Stifel was the sole underwriter of this publicly offered bond transaction which sold at par with a 4.45% coupon.

The Bonds were initially marketed at a rate of 4.50%. After the order period, the bonds were oversubscribed, and the rate was cut 5 basis points to 4.45%.

20 different accounts participated in this offering with many big names that had not typically participated in Fannie Mae M-TEMS in the past.

This was the first FNMA BCE deal done in many years.

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