CASE STUDY

FINANCING FOR SEA BREEZE GARDENS

JUNE 14, 2024

$75,000,000 | MULTIFAMILY HOUSING REVENUE BONDS | SERIES 2024E

Housing Authority of the City of San Diego | San Diego, California

SEA BREEZE GARDENS

Client Profile

The developer is Seabreeze Developer LLC, a Delaware limited liability company (the "Developer"), located in Santa Monica, California. The Developer is an affiliate of Lincoln Avenue 18 Communities ("LAC"). LAC was started in 2016 and has seven years of experience in affordable housing development. LAC has developed more than 20,000 units in 26 states. The Developer and LAC are affiliates of the Administrative General Partner.

The Project & Structure

The Project, known as Sea Breeze Gardens, is located in San Diego, California, on an approximately 15.72-acre site.

The Project contains 268 apartment units (including three manager units) located in 36 buildings.

Project consists of 36 residential buildings, including 268 residential units with community and commercial space, and six standalone laundry facilities. Common area improvements include: clubhouse, resident services space, community room, playground, and 292 parking spaces for resident use only.

The rehabilitation of the Project is anticipated to commence in June 2024 and be completed approximately 18 months later.

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

Principal paid according to a sinking fund schedule.

10-year Par Call.

The Bonds are secured by guaranteed payments under a direct-pay Credit Enhancement Agreement.

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.

Pricing Results

Stifel was the sole underwriter of this transaction.

The Bonds were oversubscribed in the public offering and sold at par with a 4.20% coupon.

Ten different accounts participated in this offering, including many that did not typically participate in M-TEMS in the past.

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

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