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Tax Credit Financing Preserves St. Stephen's Retirement Center as Affordable, Supportive Housing for Seniors

SAN DIEGO, Sept. 16, 2021—Hunt Capital Partners, in collaboration with CRP Affordable Housing and Community Development LLC and its affiliate Castellan Holdings LLC, announced the closing of \$5.6 million in Low-Income Housing Tax Credit equity financing for St. Stephen's Retirement Center. Located in San Diego, St. Stephen's Retirement Center is the acquisition and rehabilitation of 60 affordable housing units for seniors.

The development will provide a variety of supportive services to meet health, social and nutrition needs for residents. As of the closing date of May 12, 2021, this transaction was the first development in California and the fifth in the United States to convert affordable housing supported by Section 202 Project Rental Assistance Contracts (PRAC) to Section 8 Project-Based Rental Assistance (PBRA) contracts under the Second Component of the Rental Assistance Demonstration program.

Situated on a 1.26-acre site, St. Stephen's Retirement Center is a four-story apartment complex that was originally built in 1993 and formerly known as Lazzell Residence. With Hunt Capital Partners' investment and additional financing, St. Stephen's Retirement Center will offer 15 studio and 44 one-bedroom newly updated units that will include accessibility upgrades. Apartments will be restricted to family households earning up to 50% of area median income (AMI). The elderly will enjoy community amenities including a community room, central laundry and picnic areas. Property exterior and site improvements will also be made. Total duration of construction is planned for 12 months after beginning this year.

Most notably, St. Stephen's Retirement Center will offer a full-time social services coordinator and supportive services, including tenant needs assessment and health status updates and monitoring. Seniors will also benefit from the following: an on-site service coordinator (twice per week); a nurse (twice per month); exercise classes (twice per week); lunches (once per week from service coordinator); a traveling market (once per month) provided by a local house of worship; and groceries



free of charge.

“We are excited to team up with CRP Affordable Housing and Community Development on this significant transaction for St. Stephen’s Retirement Center,” said Dana Mayo, Executive Managing Director at Hunt Capital Partners. “Leveraging the RAD program to have all units supported by a new 20-year Section 8 PBRA contract was a key part of this deal that will have a long-term, positive impact. We are glad to commit tax credit equity financing to preserve this affordable, supportive housing development for elderly residents who need it most.”

“We are proud to close our first RAD for PRAC Conversion through the new HUD program,” said Paul Salib, CEO of CRP Affordable Housing and Community Development. “Thank you to all those involved in protecting residents and ensuring that properties remain affordable, while still preserving quality housing. We are thrilled and honored to be the first in California and the fifth Nationwide to close a RAD for PRAC deal. CRP Affordable Housing and Community Development would like to give a big thank you to all those involved in making this possible: California Municipal Finance Authority, Jones Hall, MirKa Investments LLC, St. Stephen’s Retirement Center, Inc., Hobson Bernardino, Nixon Peabody LLP, Citi Community Capital, Fisher Broyles LLP, Norris George & Ostrow PLLC, Hunt Capital Partners, Elkins Kalt Weintraub Reuben Gartside LLP, and First American.”

The development team for St. Stephen’s Retirement Center also includes Ironcore Construction, which will be the general contractor for the project. Hedenkamp Architecture and Planning will be the architect. Hallmark Asset Management will continue to be the management agent.

The total development cost will be \$18.4 million. The acquisition and rehabilitation will be financed with 4% LIHTC equity; tax-exempt volume-cap bonds issued by the California Municipal Finance Authority and funded by Citi Community Capital; and a seller loan. Hunt Capital Partners syndicated the federal tax credits through its multi-investor fund, Hunt Capital Partners Tax Credit Fund 41.

About Hunt Capital Partners

Hunt Capital Partners (HCP) is the syndication division of Hunt Companies, Inc. (Hunt). HCP specializes in the syndication of Federal and State Low-Income Housing, Historic and Solar Tax Credits. Since its inception in 2010, HCP has raised over \$2.4 billion in tax credit equity. HCP manages almost 760 project partnerships representing over 75,000 homes in 51 states and territories. Founded in 1947, Hunt is a privately held company that invests in businesses focused in the real estate and infrastructure markets. The activities of Hunt’s affiliates and investors include investment management, asset management, property management, development, construction, consulting and advisory. For more information on HCP, please visit www.huntcapitalpartners.com , or for Hunt, please visit www.huntcompanies.com.