

CASE STUDY: SENIOR LIVING FACILITY



OPPORTUNITY

Following the successful completion of a 102-unit senior housing community in Simi Valley, CA, an award-winning real estate development firm specializing in innovative senior living communities was looking to retroactively finance energy measures to provide a pay down for the senior lender and recap the equity. As is customary for senior housing projects, the community was slow to stabilize and had to wait to gain access to the agency financing markets and refinance the construction loan, mezzanine, and LP equity.



SOLUTION

MD Energy Advisors secured \$13.16 million in retroactive C-PACE proceeds to support eligible structural initiatives, HVAC, plumbing, lighting, and design costs. C-PACE is particularly relevant in the current economic climate as the capital is readily available and provides a fixed-rate solution with a high degree of closing certainty. C-PACE executions include ground up construction and repositions, energy related capital projects and retroactive applications.

The C-PACE financing provided a significant principal curtailment to the senior lender, returned some capital to the developer for future projects, and provided capitalized interest for two years until the project reaches stabilization. The execution will mitigate interest rate risk for the firm by converting floating rate debt to fixed rate and unlock additional borrowing capacity from the incumbent senior lender through the principal paydown to be used on the next project.

PROPERTY TYPE

SENIOR LIVING

C-PACE LOAN AMOUNT

\$13.16MM

TOTAL CAPITAL STACK

\$28.1MM

LOAN TYPE

C-PACE

C-PACE APPLICATION

RETROACTIVE
PAY-DOWN AND
PAY-OUT

Improve Project Returns

MD Energy Advisors
makes energy
choices simple.

For more information, visit
www.mdenergyadvisors.com.

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