

# CASE STUDY

## NOTRE DAME APARTMENTS

\$6,736,200 | September 2017 | Bronx, NY



### *SIMS MORTGAGE FUNDING (SMF) RECAPITALIZES AFFORDABLE HOUSING PROPERTY A SECOND TIME*



“Sims’ knowledge and expertise in navigating with the HUD process, as well as, other governmental agencies and financial institutions has helped a great deal in reaching our designated goals for Notre Dame Apartments. We are grateful to Sims and would not hesitate using their services in the future and most certain feel highly confident in recommending their services to other groups who may also require the same level of expertise and support.”

- Joseph Cicciu, President /CEO, Notre Dame Housing DFC. Inc.

#### **PARTNERED RIGHT**

**Notre Dame Apartments**, a former convent in the Belmont – Arthur Avenue neighborhood in Bronx, NY, was redeveloped into a 98-unit affordable senior housing project by a local community agency in the mid-1980s. In 2005, SMF initially recapitalized Notre Dame with a HUD-insured Section 223(f) loan. The Sponsor turned to SMF again when it needed to finance significant exterior repairs and replenish its capital reserves that could not be financed from operations and existing reserves.

#### **STRUCTURED RIGHT**

SMF underwrote a new \$6,736,200 loan with a 35-year term insured under the Section 223(f) program. The new loan refinanced Notre Dame’s 2005 debt. In addition, approximately \$616,000 in loan proceeds were escrowed for exterior capital repairs, while the Replacement Reserve Fund was replenished with an additional \$583,000 funded from the new loan.

SMF assisted the Project’s legal team in structuring revisions to its Shelter Tax Agreement with the City of New York Department of Housing Preservation & Development which ensured a long-term tax abatement for the property. The existing agreement did not meet HUD’s current loan program requirements and therefore needed to be amended to recapitalize the Project.

#### **EXECUTED RIGHT**

The new loan reduced the interest rate by nearly 40%, increasing the Project’s debt capacity to fund the repairs and reserves.

The Northeast Regional HUD Office approved the Firm Commitment Application in 45 days, its targeted schedule for Section 223(f) loans.

#### **FINANCED RIGHT®**

Because of the SMF loan, Notre Dame Apartments has a source of new capital for improvements and reserves, and a long-term tax abatement that will help maintain a stable operating profile, enabling the Sponsor to continue its mission of providing affordable housing to low and moderate-income elderly.

For more detailed information on how **Notre Dame** was Financed Right® by HJ Sims and Sims Mortgage Funding, please contact:

**Andrew J. Patykula**  
201.307.9383

apatykula@simsmortgage.com

**hjsims.com**  
**simsmortgage.com**

*HJ Sims is a member of FINRA/SIPC®  
and is not affiliated with Notre Dame*

*Sims Mortgage Funding is a wholly owned subsidiary of HJ Sims & Co Inc.*