

CASE STUDY

ST. MATTHEW MANOR

\$5,089,900 | August 2015 | West Philadelphia, PA



SIMS MORTGAGE FUNDING CLOSES A LOAN THAT PRESERVES AFFORDABLE, ELDERLY HOUSING IN PENNSYLVANIA



“We appreciate you and your team going to bat on our behalf to get a much lower interest rate on the refinancing, as well as much-needed funding for critical repairs and capital repairs that needed to be completed for the site.”

— Rev. Roland McCall, Chairman, St. Matthew Manor Board of Directors

PARTNERED RIGHT

St. Matthew Manor is sponsored by the St. Matthew African Methodist Episcopal Church, an organization with ties to the community that are over 100 years old. The primary source of income for the Project, which was constructed in the early 1990s, is a Section 8 Contract that had a remaining term of approximately 17 years. The Section 8 subsidy is sufficient to fund operations, but the Project has growing capital needs that could not be financed from operations and current reserves. Moreover, the Sponsor also was looking for sources of funding for its community-based and mission-driven programs.

Sponsor may receive an additional \$320,000 in Developer Fee if energy-related improvements produce a level of efficiency.

FINANCED RIGHT[®]

The new loan reduced the Sponsor’s interest rate by 60% and will amortize over a 35 year period. HUD also awarded the Project a 20 year renewal of its Section 8 Contract; extending funding for approximately 37 years.

As a result, the Sponsor will continue to provide affordable housing to low and moderate income elderly for years to come.

STRUCTURED RIGHT

To meet the Sponsor’s objectives, the new loan had to satisfy three criteria: (1) ensure that affordable housing units would be preserved and funded on a long-term basis; (2) finance improvements to the property that would enhance resident comfort and provide a more energy-efficient operation; and, (3) provide a source of capital that would assist them with their community outreach.

SMF enabled the Sponsor to meet their objectives by underwriting a \$5,089,900 loan insured under the Section 223(f) program that was approved by HUD under the Multifamily Accelerated Processing (MAP) program in 51 days. Closing occurred 78 days later.

EXECUTED RIGHT

Approximately \$829,000 in proceeds were escrowed for capital repairs; \$380,000 funded an initial deposit to a reserve fund; and, \$360,000 in a Developer Fee was distributed to the Sponsor at closing. In addition, the

For more detailed information on how **St. Matthew Manor** was Financed Right[®] by HJ Sims and Sims Mortgage Funding, please contact:

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