

# MULTI-HOUSING NEWS

## News & Notes | Finance Development Sales

MARCH 02, 2007 -- Finance

### JCR Capital Closes 36-Month Mezz Loan for Working Capital

Pacoima, Calif.—JCR Capital closed on a \$13.3-million mezzanine loan for a 430-unit affordable multifamily property that receives FHA Housing Assistance Program vouchers. The property, built in 1968 with units ranging from one to four bedrooms, is currently financed with both tax credits and tax-exempt bonds. Total capitalization for the property was \$30.8 million. The sponsor used the proceeds principally for working capital needs.

JCR developed a structure to accommodate the existing financing by taking only a 49-percent pledge of partnership interests. The loan was priced over 30-day LIBOR and is interest-only for six months. The exit strategy on the loan is project level cash flow amortization and a re-issuance of the bonds and credits. The loan has a 36-month term.

JCR Capital is a structured real estate investment bank and direct lender recently started by Guy Johnson, president of Johnson Capital and Jay Rollins, former managing director of Capmark and now president of JCR Capital. "This highly structured mezzanine loan, with a 49 percent pledge of partnership interests, for the purpose of providing working capital, demonstrates JCR's commitment to creativity, flexibility and meeting the needs of its clients," said Rollins.