X-CALIBER

LENDING & INVESTING FOR THE GREATER GOOD

CASE STUDY

Multifamily Financing – Tailored Capital Stack Solution

X-Caliber provided a $13MM cash-out refinance bridge loan, followed by a $14MM FHA 223(f) permanent loan and $350K in mezzanine financing.



This market-rate multifamily case study highlights the strategic use of both in-house short-term and long-term financial products to assemble a comprehensive capital stack, addressing the investor's refinancing, renovation, and operational needs. The project leveraged a short-term cash-out bridge loan for immediate funding, and transition to a FHA 223(f) refinance and mezzanine supplemental financing all provided by X-Caliber's in-house lending capacities. In addition to refinancing the existing debt, the FHA and mezzanine financing provided funds to complete repairs and implement energy-saving improvements. This tailored approach allowed for progressive disbursements to enhance property value and rental income, ultimately positioning the complex to deliver sustainable housing solutions, foster community benefits, and create long-term value for investors and residents alike.

THE PROPERTY

The property is a market-rate, nearly 100-unit multifamily community built in the 1970s and located in Tucson, Arizona. It consists of multiple low-rise buildings featuring spacious one- and two-bedroom apartments. Amenities include a fitness center, swimming pool, storage area, and dog park.

THE OPPORTUNITY

The current ownership acquired the property, recognizing its potential for growth through renovation and repositioning. Following significant improvements, the property experienced consistent rent growth and reached nearly 95% occupancy. To capitalize on this momentum, ownership sought financing to refinance existing debt, return equity, complete property upgrades, and implement energy-efficient enhancements eligible for a reduced Mortgage Insurance Premium (MIP).

THE SOLUTION

X-Caliber provided comprehensive financing solutions tailored to meet the property's specific needs:

- **Initial Bridge Loan: X-Caliber provided a $13MM bridge loan** for further property stabilization.
- **FHA 223(f) Refinance:** Upon property stabilization, **X-Caliber executed a $14MM FHA 223(f) refinance**, offering competitive interest rates, high proceeds, and non-recourse financing terms.
- **Mezzanine Financing:** To ensure continuous project execution, **X-Caliber supplemented financing with a mezzanine loan of $350K**, providing funds for repairs including energy efficient improvements.

$14MM FHA 223(f)

+

$350K Mezzanine

Bridge to HUD Refinance

COMMUNITY IMPACT

This upgraded community provides nearly 100 renovated apartment units in Tucson, Arizona, strategically located near major employers such as Carondelet St. Joseph's Hospital and Tucson Medical Center. With Tucson experiencing a significant shortage of affordable workforce housing, the property directly addresses community needs by offering quality living options for working professionals and families.

The property features diverse apartment sizes and essential amenities, supporting resident well-being and convenience. Its proximity to public transportation and local services enhances mobility and access for residents, while renovations created local construction jobs, contributing to economic growth.

KEY BORROWER ADVANTAGES OF X-CALIBER'S WIDE RANGE OF LENDING PRODUCTS:

- Flexible loan products that offer full capital stack solutions for various situations
- Higher loan-to-value ratios compared to other sources
- Short-term solutions that require quick closings
- Longer financing terms of up to 35 years at stabilization
- Gap financing for existing FHA borrowers and new applicants, with proceeds available for cash-out, gap financing and repairs.

This strategic financing has positioned the complex to provide long-term value, stable housing solutions, and sustain community benefits.







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