

MAJESTIC RANCH APARTMENTS | SAN ANTONIO, TEXAS

\$29,200,000 | FHA 221(D)(4)



Majestic Ranch Apartments Rendering

PROPERTY DESCRIPTION:

Majestic Ranch is a new construction project with 288 family affordable units to be co-developed with San Antonio Housing Trust (SAHT) and Mike Hogan, President of Hogan Properties Company. HomeSpring Residential Services will be the property manager, also owned by Mike Hogan. The property will have one, two and three bedroom units 100% affordable to residents at or below 60% AMI. There are two tracts of land separated by a drainage easement that designate the East Village and West Village. A total of 15 buildings, three story garden style design with amenities including a clubhouse, pool, sport court, business center, laundry, playground and covered parking.

The property is financed with a HUD 221d4 loan for both a construction and permanent loan having very competitive pricing and terms compared to the other bond execution options. Other sources included 4% tax credit equity funds from CREA and a CDBG Home Loan. The bonds were issued by SAHT.

CHALLENGES:

Several challenges with this financing including working through a drainage easement that dissected the middle of the site. HUD required a new flood designation plat that took over a year to finalize with various local and government agencies. In addition, Davis Bacon cost designation issues surfaced very late into the processing that took a few weeks to resolve. However, the project prevailed and was approved and successfully closed in December 2019. Mike Hogan has completed several affordable projects in San Antonio with SAHT and others. Hogan has a strong development team including the General Contractor, Galaxy Builders, who has now successfully completed several projects with Hogan. Hogan also uses the same high quality construction and amenity package for all the projects he develops and in many cases uses the same building plans modified for each project site and location. Mike Hogan is a repeat client with BWE and considered a top tier relationship.