

### **HJ SIMS PARTNERS WITH STONECREEK REAL ESTATE PARTNERS TO FACILITATE \$2.8 MILLION IN NON-RECOURSE, LOW-INTEREST RATE PACE FINANCING.**

#### **PARTNERED RIGHT®**

Based in Dallas, Texas, StoneCreek Real Estate Partners (“StoneCreek”) is a collaboration of recognized and seasoned professionals with 50+ years of combined experience in the operations, development and ownership of successful senior living communities in Texas, Colorado, and Arizona.

The operator, Civitas Senior Living (“Civitas”) is a Fort Worth, Texas-based for-profit owner/operator of senior living communities in Texas, Florida, Oklahoma, New Mexico, Kentucky and Arizona. Founded in 2012, Civitas has over 100 employees at its corporate office and manages over 45 senior living communities. In 2018, HJ Sims provided \$5.85 million in preferred equity to Civitas for the development of a new community in Red Oak, Texas. In 2019, HJ Sims completed a \$72.32 million all-bond acquisition financing of three communities in East Texas operated by Civitas.

The StoneCreek of Copperfield development is a new construction, 108-bed senior housing community that will include 74 assisted living units, 22 memory care units and 12 independent living cottages; providing local access to quality senior housing and care in the Copperfield area of Houston, Texas.

#### **STRUCTURED RIGHT®**

StoneCreek was exploring alternative capital sources to expensive mezzanine debt for a community in Houston when HJ Sims proposed exploring Property Assessed Clean Energy (“PACE”) financing.

PACE is a public/private partnership which allows property owners to finance projects through voluntary assessments placed on the property by a state economic development agency. The program finances 100% of the energy efficiency, renewable energy, water conservation,

#### **StoneCreek at Copperfield At A Glance**

<b>Partnered Right®</b>	<b>Structured Right®</b>	<b>Executed Right®</b>	<b>Financed Right®</b>
<ul style="list-style-type: none"> <li>» StoneCreek is developing a 108-bed senior living community, consisting of independent living, assisted living and memory care outside of Houston, TX.</li> <li>» The community will be operated and managed by Civitas. Civitas is an experienced developer and operator, currently managing 45 communities with over 3,000 units.</li> </ul>	<ul style="list-style-type: none"> <li>» While assisting StoneCreek in their search for alternatives to expensive mezzanine financing, HJ Sims proposed the use of PACE financing.</li> <li>» PACE financing is a voluntary low-cost, non-recourse assessment placed on a property based on the qualified energy efficiency, renewable energy, water conservation, residency improvements and related costs contributed by the project.</li> </ul>	<ul style="list-style-type: none"> <li>» HJ Sims coordinated with StoneCreek, Civitas, the PACE provider, and the Texas PACE Authority to get approval for PACE from the senior construction lender despite the atypical nature of the program.</li> </ul>	<ul style="list-style-type: none"> <li>» In place of typical mezzanine debt with interest rates between 12%-15%, StoneCreek used PACE to fund \$2.8 million in construction financing at an interest rate of 5.85%.</li> </ul>



resilience improvements and the related costs for both ground-up new construction and renovations/retrofits up to about 20% of the property's appraised value. The financing is collected with regular local real estate taxes and assessment payments which are amortized at a fixed rate over the useful life of the project, usually 15-25 years.

### **EXECUTED RIGHT®**

HJ Sims coordinated with StoneCreek, Civitas, the PACE provider, and the Texas PACE Authority to get approval for PACE from the senior construction lender. Despite the atypical nature of the program, the financing team was able to assuage the concerns of the senior construction lender.

### **FINANCED RIGHT®**

StoneCreek, with the guidance of HJ Sims was able to tap \$2.8 million in Texas-PACE financing from Counterpointe Sustainable Real Estate to lower their total cost of capital and closed on November 20, 2020. The project is also supported by a \$19.6 million construction loan from a traditional lending partner.

**For more detailed information  
on how StoneCreek at Copperfield  
was Financed Right® by HJ Sims,**

**please call or email:**

**James Rester**

901.652.7378

[jrester@hjsims.com](mailto:jrester@hjsims.com)

**Curtis King**

603.219.3158

[cking@hjsims.com](mailto:cking@hjsims.com)

**Ryan Snow**

843.870.4081

[rsnow@hjsims.com](mailto:rsnow@hjsims.com)

**[hjsims.com](https://www.hjsims.com)**

*HJ Sims is a member of FINRA, SIPC and is not affiliated with StoneCreek at Copperfield. Testimonials may not be representative of the experience of other clients and are not indicative of future performance or success.*