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# Dealmaker: Continental Funding Places \$22.1M in California

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Continental Funding Group, Los Angeles, arranged \$22.1 million for southern California retail, office and apartment assets.

CFG Managing Director J.M. Grimaldi and Director Zalmi Klyne arranged \$9.4 million--75 percent of the purchase price--for 10 West Plaza, a 55,000-square-foot unanchored shopping center in Palmdale, Calif. A conduit lender provided the 10-year fixed-rate loan, which included two years of interest-only payments. The final coupon rate was locked at 260 basis points over the 10-year swap rate.

Grimaldi and Klyne also arranged \$5.3 million for Centerpoint Business Park, a 13-building complex in the Lancaster business district. The 10-year credit union loan bears interest at 4.05 percent, fixed for the first five years.

"This property was financed with only 77 percent occupancy," Grimaldi noted.

Continental also arranged \$10.7 million for four multifamily assets in San Diego and Los Angeles Counties. Grimaldi and CFG Associate Nick Irving represented the southern California-based sponsor.

In San Diego, Grimaldi and Irving arranged \$3.3 million in acquisition financing for Golden View Apartments, a 17-unit apartment building built in the Gaslamp Quarter in 1926. The five-year *Wall Street Journal* prime-based loan floats at one percent over the prime rate with a floor of 4.5 percent.

"We assembled a bridge facility for the San Diego transaction," Grimaldi said. "This loan was structured on a total cost basis allowing for additional loan dollars based on our borrower's renovation budget. Property upside will be realized once property improvements are complete and the building is re-rented at market rates."

Grimaldi and Irving also arranged cash-out refinancings for three West Los Angeles multifamily properties. The three loans totaled \$7.4 million, or 80 percent of appraised value. The non-recourse 20-year loans remain fixed for the first five years.

"We were able to maximize loan proceeds here by underwriting to our going-in rate and not stressing the interest rate as most portfolio lenders would," Grimaldi said.

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