



Asset Repositioning and Advisory Services

Client: Mintz Levin and trustee/bondholder of tax-exempt bonds on a distressed multifamily portfolio.

Property:

17 properties in Arizona, Florida, Oklahoma and Texas with a total of 4,750 units with a total outstanding debt of more than \$200 million.

Challenge:

Recap was engaged as financial advisor by counsel on behalf of bondholders owning tax-exempt bonds on a distressed, 17-property multifamily portfolio. The financial structure of the portfolio is complex, including five different ownership entities, three tranches of bonds, and interest rate swap obligations. Because the portfolio faced significant management, operational, physical and capital problems, Recap first conducted individual site assessments, then created and implemented action plans for each property.

Solution:

Based on the operational reviews, Recap recommended that the bondholders hold and stabilize the portfolio to maximize disposition value. As part of the stabilization effort, a new property management company was identified and installed, a plan to bring all accounts payable to current status was developed, and a comprehensive capital improvement plan was implemented. The properties are now stabilizing under new management and all relevant metrics are trending upward. As the properties continue to improve, opportunities to realize value through sale will be periodically reevaluated.



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