



Katten Represents The Pacific Companies in California Affordable Housing Transaction

December 19, 2023

In November, Katten represented The Pacific Companies, one of the most prolific developers of new affordable housing in California and nationwide, with respect to the ground lease acquisition, equity investment and financing of a 200-unit multi-family affordable housing development to be built in Santa Clara, California. The transaction included a pioneering ground lease structure with Safehold, Inc., whereby Safehold acquired the land directly from the third-party seller and entered into a long-term ground lease with the tax credit partnership. This ground lease structure is expected to serve as a model for future affordable housing developments by The Pacific Companies and the affordable housing industry at large.

In addition to the ground lease, Katten assisted the client in negotiating a complex capital stack comprised of approximately \$97 million in federal and state Low-Income Housing Tax Credit equity and federal energy credit investment, \$126 million in tax-exempt and taxable bond-backed construction financing, and \$45 million in tax-exempt bond-backed permanent financing.

The Pacific Companies was represented by Katten's Transactional Tax Planning, Government and Public Finance, and Real Estate attorneys including David Cohen and Michelle Poncetta.

CONTACTS

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