

NEWS RELEASE



South Forty Apartments
Billings, Montana

PGIM Real Estate arranges FHA loan for Montana affordable senior housing asset

BILLINGS, Mont. – June 12, 2023 – PGIM Real Estate has provided fixed-rate FHA financing to Lincoln Avenue Capital (LAC) for the acquisition and rehabilitation of the South Forty Apartments, an affordable senior housing asset located in Billings, Montana. The \$16.14 million loan was arranged under the FHA section 223(f) loan program.

The property is a 101-unit and age-restricted apartment complex that is 100% subsidized by a Section 8 contract. The property also has a tax credit LURA on title restricting half of the units at 50% AMI and the other half at 60% AMI through 2069. LAC will complete an extensive rehabilitation of the property that will address deferred maintenance at the property, revitalize the apartments and site amenities.

The property was originally constructed in 1987 and was last renovated in 2007. LAC's scope of work will include new kitchens and baths, new windows throughout, upgrades to the clubhouse, new solar panels and accessibility repairs, among other rehab items. Alex Viorst, executive director at PGIM Real Estate, led the financing on behalf of the firm. "We're thrilled to have partnered with LAC — a mission-driven organization and one of the fastest-growing developers, investors, and operators of affordable housing in the country — on this transaction," said Viorst. "We worked closely with HUD to help the borrower secure a post-rehab Mark-Up-To-Market rent increase that was effective as of the closing date and generated sufficient loan proceeds to fund the rehab necessary to meet the long-term needs of the property."

"Our acquisition of South Forty Apartments will preserve more than 100 units of high-quality, affordable housing for seniors in Yellowstone County," said LAC CEO Jeremy Bronfman. "LAC is grateful to PGIM Real Estate for its support in making this deal a reality, and we look forward to working together in the future to provide affordable homes in communities where they're most needed."

ABOUT LINCOLN AVENUE CAPITAL

[Lincoln Avenue Capital](#) is one of the nation's fastest-growing developers, investors, and operators of affordable and workforce housing, providing high-quality, sustainable homes for lower- and moderate-income individuals, seniors and families nationwide. LAC is a mission-driven organization that serves residents across 22 states, with a portfolio of 120 properties comprising 22,000+ units.

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¹ As of Dec. 31, 2022, net AUM is \$133.8 billion and AUA is \$48.7 billion.

² Includes legacy lending through PGIM's parent company, PFI.

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