

The Hale

A Case Study in Creating Workforce Housing With Sponsor-Dedicated Workforce



LOCATION

Washington, D.C.
NoMA Neighborhood

DUS® LENDER

Grandbridge

FINANCING

SDW | Near Stabilization



The Property

The Hale, a 500-unit high-rise situated in the NoMa neighborhood of Washington, D.C., offers modern amenities in a vibrant community with easy access to public transit, grocery stores, public schools, and more. The newly constructed building provides dedicated, affordable workforce housing with 150 units (30% of the unit total) at 100% of the Area Median Income (AMI), addressing a critical need in this high-cost market.

The sponsor, Carmel Partners, combined **Near-Stabilization (Near-Stab)** with our **Sponsor-Dedicated Workforce (SDW)** initiative, enabling refinancing from a short-term construction loan to a permanent financing solution.

The Financing

Grandbridge — a DUS lender — arranged the distinctive Near-Stab deal utilizing our SDW initiative, making this the first SDW-Near-Stab combination refinancing of a short-term construction loan into stable, permanent financing. This transaction demonstrates Fannie Mae's innovation in partnership with our DUS lenders to meet the unique needs of our multifamily borrowers while also preserving affordable workforce housing in high-cost markets.

By combining SDW and Near-Stab, Fannie Mae and partners have developed a powerful model to create and preserve affordable workforce housing in high-cost markets with favorable terms and enhancements for conventional borrowers.

Learn more about SDW:
multifamily.fanniemae.com/financing-options/conventional-products/sponsor-dedicated-workforce



Fannie Mae®

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First

SDW Near-Stab combination



150

Units (30% of the total) set aside for workforce renters



100%

AMI for the life of the loan

A Pioneering, Creative Financing Solution

SDW, launched in November 2023, is a financing solution that increases the supply of affordable housing available to workforce renters by offering borrowers competitive pricing and underwriting flexibility. It provides incentives for borrowers of conventional properties that establish rent restrictions as part of a private financing approach to address the affordability crisis for the missing-middle renter.

Borrowers that create or preserve rents, on a minimum of 20% of the units, affordable to renters earning up to 80% AMI or, in certain cost-burdened metros, up to 100-120% AMI can leverage SDW. SDW can be combined with other products such as Near-Stab to maximize pricing incentives.

By working with our innovative financing partner in Fannie Mae, together we were able to shape the transaction structure to fit the unique needs of this deal to refinance a construction loan into stable, permanent financing.

The DUS model allowed us to provide an innovative approach for our client, offering flexible loan terms and competitive pricing by enabling us to combine SDW with Near-Stab, for the first time, to close this transaction.

This approach demonstrates Fannie Mae and Grandbridge's commitment to support affordable workforce housing in order to inspire and build better lives and communities."

TYLER PAUL

Head of Multifamily | Grandbridge Real Estate Capital LLC

Learn more about SDW:
multifamily.fanniemae.com/financing-options/conventional-products/sponsor-dedicated-workforce



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