



Quantum Capital Partners Pulls LA Developers Out of Hot Water

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Quantum Capital Partners has secured a \$33m bridge loan on behalf of a Los Angeles-based development group to refinance The Medallion, a mixed-use development in downtown Los Angeles, Real Estate Capital has first learned.

The two-year loan with extension options pays off a previous construction loan on the luxury apartment and retail property.

The Medallion features a 97%-leased luxury apartment building with 96 studio, one- and two-bedroom units, 80,000 sq ft of street level retail and a 275-car parking garage, located at Fourth and Main Streets in the Historic Core neighborhood.

A second phase, Medallion 2.0, calls for 300 additional apartment units.

Despite success in leasing out the first phase of apartments, the borrowers — LLCs listed as Illusion Holdings and Ocean Blue Investments — entered into maturity default and have struggled to stabilize the retail space, making it difficult to find a lender willing to refinance, said **Jonathan Hakakha**, a managing director with **Quantum Capital Partners**.

But after finding a Los Angeles Bank suitable for the task, Quantum was able to complete the assignment in just 10 days, from application to funding, helping the sponsor avert “costly default penalties,” said Hakakha, who arranged the financing with **Mike Yim**.

“We were able to substantiate the projected retail rental rates and identify a lender willing to take lease-up risk,” he said. “The strength of the market, the value of the development site, and the sponsor’s track record mitigated the lack of stabilized retail occupancy.”

The developers will move forward with Medallion 2.0, on an adjacent, nearly two-acre lot, once the street level retail space has been fully stabilized. It is currently 30 percent leased to a restaurant, two gyms and a mom-and-pop store.