



Merchants Capital provides \$104m financing for NYCHA properties

April 26, 2022 - Front Section

Manhattan, NY The New York office of leading financial services provider Merchants Capital has provided \$104 million in financing for Harlem River Houses and the adjacent Harlem River II Campus, collectively known as Harlem River Houses I and II. The New York City Housing Authority (NYCHA) property dates back to the 1930s and represents a significant milestone in public housing as one of the first two properties in New York funded, developed and owned by the federal government.

Located between West 151st St. and West 153rd St. along Harlem River Dr. and Macombs Pl., Harlem River Houses currently features 690 apartments offered at 100% affordability to low-income residents in the area. Upon renovation, the property will offer 693 apartments spread across eight residential buildings that house more than 1,400 residents.

Merchants Capital provided \$104 million on behalf of a joint venture between the Settlement Housing Fund and West Harlem Group Assistance to support comprehensive renovation of the properties. The financing structure consisted of a straight-to-permanent NYC Housing Development Corp. (NYCHDC) Freddie Mac Risk Share loan crafted by the NYCHDC, Freddie Mac and Merchants Capital.

To date, Merchants has provided nearly \$480 million in financing towards more than 3,300 units as part of the NYCHA PACT projects throughout New York City. As the largest public housing authority in North America, NYCHA is home to 1 in 15 New Yorkers.

Rehabilitation to the property is expected to begin this spring, and the renovation is expected to be completed between 2024 and 2025.

Renovations will include upgrades to apartments, common areas, elevators, security and heating systems. Upgrades in units will include new kitchens, bathrooms, floors and appliances along with updates to windows and building exteriors. Sidewalks, gardens and sculptures within the property grounds will be restored and new playgrounds, benches and activity spaces will be installed for residents' use. Additionally, all electrical, mechanical and plumbing systems will be renovated or replaced.

“There is a dire need for affordable housing in our country, only exacerbated in the New York market where over half a million people rely on the stability of public housing every year,” said Mathew Wambua, vice chairman and head of Merchants Capital’s New York office. “I am proud of our company’s commitment to being a partner in the revitalization of public housing in New York, serving a vital role as the financier for many famed and historical properties in our community. Preserving these critical projects not only ensures residents’ continued safety but allows them to live in dignity.”

“We are so excited to get to work on the restoration of Harlem River Houses,” said Alexa Sewell, president of Settlement Housing Fund, Inc. “This investment is a huge win for public housing, for the neighborhood, and most importantly, for the residents of Harlem River Houses. We wouldn’t be here without the creativity and tenacity of the Merchants team.”

Constructed in 1936 and debuting in 1937, Harlem River Houses was built as an attempt to amend the poor housing opportunities for African American residents in the Harlem neighborhood. At the time, public housing was segregated in New York City and the limited options available to African Americans were deteriorating and significantly overcrowded. As such, construction of Harlem River Houses served great importance to many local residents by offering affordable and safe housing at a time when other options were scarce. In 1979 after 42 years in service, Harlem River Houses was recognized on the National Register of Historic Places for both its noteworthy architecture and social history in the New York City community.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540