



## **Merchants Capital secures \$320 million financing**

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Mat Wambua

Bronx, NY Merchants Capital has provided \$320 million in financing to support comprehensive renovations at Edenwald Houses. The second largest New York City Housing Authority (NYCHA) property in the state and the largest in the borough, Edenwald Houses dates back to the 1950s and provides affordable housing to 5,000 residents.

“Maintaining the integrity of developments like Edenwald Houses is critical for the people of New York City, creating a haven where residents can forge their lives and futures in dignity,” said Mat Wambua, vice chairman and executive vice president, agency lending at Merchants Capital. “We appreciate the opportunity to collaborate with our public partners, including NYCHA, HDC, HPD and Freddie Mac, on pivotal NYCHA Permanent Affordability Commitment Together (PACT) deals.

Our goal as one of the nation’s top lenders is to provide innovative financing solutions that match the specific needs of our clients. Structuring this intricate deal is a testament to the creativeness of our New York originations team and our commitment as a firm to support developments of every caliber.”

Merchants Capital secured a \$320 million New York Housing Development Corp. (NYHDC) Freddie Mac Risk Share Loan on behalf of the property developer, Camber Property Group. The funds will support an intensive, four-year construction period to fully rehabilitate the property, one of New York City’s oldest housing developments.

“The investment from Merchants Capital, Freddie Mac and the NYC Housing Development Corp. in Edenwald Houses will positively impact the lives of over 5,000 people,” said Rick Gropper, principal at Camber Property Group. “Through our partnership with NYCHA, we will make the most of this opportunity, improving the complex and demonstrating what happens when people come together to preserve and elevate the affordable housing so many New Yorkers rely on. We are looking forward to putting these funds to good use and are grateful for Merchants Capital’s commitment to Edenwald Houses and the community it represents.”

As part of the larger Edenwald Community Plan, the property will be registered on the New York state and national historic registries in an effort to unlock additional necessary funding through the Federal Historic Rehabilitation Investment Tax Credit. Also, as a new development under the PACT program, Edenwald Houses will transition to the U.S. Department of Housing and Urban Development (HUD) Section 8 program enabling supplemental federal funding.

To date, Merchants has provided approximately \$1 billion in financing towards more than 5,300 units as part of PACT projects throughout New York City.

“We are very pleased to provide financing to support the transformation of Edenwald Houses, a historic property that plays an incredibly impactful role in this community,” said Stephen Johnson, senior vice president, head of production and sales at Freddie Mac. “Working alongside Merchants Capital, Camber Property Group, and the New York Housing Development Corporation, Freddie Mac helped ensure that one of the largest affordable rental communities in the Bronx can remain home for more than 5,000 families. At Freddie Mac, everything we do is grounded in supporting

affordability and equity in the rental market, and this transaction demonstrates the critical role our renovation financing can play to revitalize communities across the nation.”

Over the last several years, Edenwald Houses residents, NYCHA and the PACT team worked collaboratively to identify the scope and design of the property’s renovation. Currently underway, the \$530 million scope of work for property upgrades includes masonry and facade repairs, mechanical building modifications such as improved heating and cooling systems, elevators and solar panels, strengthened security through new surveillance systems and more.

Merchants Capital proudly worked alongside notable industry partners, including project sponsors Camber Property Group, SAA | EVI and Henge Development in addition to NYHDC, Freddie Mac, JP Morgan Chase, Sidley Austin, Ballard Spahr LLP, and Nixon Peabody.

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