



## **Merchants Capital provides \$225 million for rehabilitation of seven affordable properties in Bronx**

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Bronx, NY Merchants Capital has provided more than \$225 million in financing to support the New York City Housing Authority (NYCHA) Permanent Affordability Commitment Together (PACT) Union Avenue Consolidated project, which involves a refinance and rehabilitation of seven properties.

The PACT Union Ave. Consolidated project consists of seven affordable housing developments, 18 buildings and a total of 983 apartment units. Merchants Capital's Freddie Mac Capital Markets Execution (CME) loan will be used to refinance the property and rehabilitate the units with building-wide improvement plans. The scope of work includes kitchen upgrades (counters, appliances, cabinets), plumbing improvements and common area maintenance.

Additionally, the financing will provide extensive capital needs and repair costs ranging from heating infrastructure to building security improvements. The upgrades will also include the development and implementation of a social services program tailored to the individual needs of the Union Ave. community. Though all units will be modernized and upgraded, all apartments will maintain permanent affordability and preserve tenants' rights and protections. Construction began in October 2023 and is expected to be completed by September 2025.

To date, Merchants Capital has provided more than \$1 billion in financing towards the PACT projects throughout New York City. Most recently, the firm provided \$320 million to support comprehensive renovations at Edenwald Houses, the second-largest NYCHA property in the state.

"Our continued contribution to the residents of New York City proves that the work to solidify and support affordable housing for all is never done," said Mat Wambua, vice chairman and executive vice president, agency lending at Merchants Capital. "We once again appreciate the opportunity to collaborate with our public partners on these critical NYCHA PACT deals that are making a true difference in the lives of so many in the Bronx, Brooklyn, and other New York neighborhoods. Finding and securing innovative financing solutions that match the specific needs of our clients is what we do – our New York team's creativity and expertise in structuring this intricate deal is a huge success."

The Bronx Housing Preservation Experience LLC is a joint venture by project sponsors The Arker Companies, SBV RE Investments LLC (formerly Omni NY) and Dabar Development Partners – all three accomplished leaders in the affordable housing, community development and real estate industries. Those parties, including Merchants Capital, bring extensive real estate experience in

working with NYCHA through the collaboration on the NYCHA PACT Brooklyn Bundle II, an earlier project focused on major repairs and renovations for nine Brooklyn developments.

Merchants Capital worked alongside prominent affordable developers and industry partners for the Union Ave. Consolidated, including the aforementioned project sponsors, Nuveen, NYCHA, Freddie Mac, New York City Housing Department Corp. (NYCHDC), Sidley Austin LLP, Ballard Spahr LLP and Nixon Peabody.

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