



## **Merchants Capital provides \$348 million in Fannie Mae financing for rehabilitation of 87 Brooklyn NYCHA properties**

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Michael Milazzo

Brooklyn, NY The New York office of financial services company Merchants Capital has provided a \$348 million Mortgage-Backed Securities (MBS) loan from Fannie Mae to support the rehabilitation of New York City Housing Authority (NYCHA)'s Reid Apartments and Park Rock Consolidated (Reid Park Rock), a \$635.6 million Permanent Affordability Commitment Together (PACT) project that will bring comprehensive renovations for nearly 3,500 residents living in 87 buildings across the borough.

The development team of BRP Companies, Fairstead and Urbane, tapped by NYCHA in 2021, will deliver more than \$600 million in comprehensive repairs and upgrades to modernize Reid Park Rock. The partners are responsible for property management, enhanced social services and community programs to maintain long-term housing assistance and stability. The Local Development Corp. of East New York will provide tenant and community outreach services.

The straight-to-permanent financing provided by Merchants is designed to recapitalize the PACT Reid Park Rock project, preserve cash and provide immediate rehabilitation support for 15 developments located in East New York and Brownsville neighborhoods. Merchants worked with NYCHA and the New York City Housing Development Corp. (HDC) to finalize the deal.

"We were able to provide a more expansive financing structure and strengthen counterparty relationships with the inclusion of Fannie Mae products in the transaction," said Michael Milazzo, senior vice president of originations at Merchants Capital. "It is an honor to support NYCHA and the outstanding development team on additional PACT affordable housing projects."

"We are thrilled to be one step closer to delivering revitalized and transformed residences to nearly 3,500 NYCHA residents across East Brooklyn," said Meredith Marshall, co-founder & managing partner of BRP Companies. "We look forward to our continued partnership with NYCHA, Merchants Capital, Fairstead, Urbane, The Local Development Corp. of East New York and The Vistria Group as we look to break ground and advance the project to final fruition that will elevate the overall community experience and ensure long-term housing stability for the residents."

"Fairstead is proud to partner with Merchants Capital New York to realize our shared vision for the future of Reid Park Rock," said Fairstead CEO Jeffrey Goldberg. "Public-private partnerships like PACT are essential for the revitalization of public housing, and we are honored to work with all of our partners as we bring much-needed improvements to the nearly 3,500 residents that call Reid Park Rock home."

"We are excited to enter this next phase of partnership with Merchants Capital to provide high-quality public housing improvements and a comprehensive economic empowerment strategy to nearly 3,500 residents at Reid Park Rock," said James Johnson-Piett, principal and CEO of Urbane. "This investment catalyzes the ability to leverage a best-in-class public-private partnership with the Reid Park Rock partners and the NYCHA residents to position Reid Park Rock as a hub for community wealth creation catalyzed within public housing communities."

Merchants Capital collaborated with the development team and affordable housing partners,

including project sponsors BRP Companies, Fairstead, Urbane and The Vistria Group; and NYCHA, Fannie Mae, New York City HDC, The Local Development Corp. of East New York, Blank Rome LLP, Nixon Peabody LLP, Sidley Austin LLP, Katten Muchin Rosenman LLP and ArentFox Schiff LLP.

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