



## **Merchants Capital provides \$129.1 million for New York City Housing Authority PACT renovation project**

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Bronx, NY Merchants Capital provided \$129.1 million in financing for the New York City Housing Authority (NYCHA) \$419.6 million renovation of Boston Road Plaza, Boston Secor, and Middletown Plaza (BBM). The renovations will span three housing developments and six residential buildings that total 952 units.

Merchants Capital provided a \$129.1 million New York Housing Development Corp. (NYHDC) Freddie Mac Risk Share Loan to support rehabilitations under the Permanent Affordability Commitment Together (PACT) program. To date, Merchants has provided \$2 billion in financing towards 9,000 units as part of PACT projects throughout New York City.

The BBM developments will transition to the U.S. Department of Housing and Urban Development (HUD) Section 8 program as part of HUD's Rental Assistance Demonstration (RAD) conversion program to further support property modernization, long-term assistance and affordability.

"Our work to support and preserve affordable housing throughout New York City endures via renovated NYCHA deals that are improving neighborhoods incrementally," said Mat Wambua, vice chairman at Merchants Capital. "The Bronx will be vitally enriched as a result of these enhancements. We appreciate the opportunity to apply our structuring expertise and align once again with our PACT partners who are committed to making a difference."

BBM renovations are being led by the Bronx Revitalization Collaborative (BRC), a joint venture between Beacon Communities, Kalel Companies and MBD Community Housing Corp. Beacon Communities is an owner, developer and manager of affordable and mixed-income housing across the northeast, with nearly 19,000 apartments in 11 states. MBD Community Housing has constructed and renovated more than 2,300 units of housing; its portfolio contains 39 buildings and 1,200 housing units. New York City-based Kalel Companies is a minority-owned business enterprise (MBE) with experience in NYCHA PACT renovations.

"We are thrilled to be partnering with NYCHA, fellow PACT team members, and the residents of Boston Secor, Boston Road Plaza, and Middletown Plaza to preserve and improve existing housing stock while dramatically enhancing quality of life," said Beacon Communities chief executive officer Dara Kovel. "Beacon is privileged to continue our commitment to providing high-quality housing through comprehensive physical improvements, resident engagement, and enhanced service provision. The project exemplifies Beacon's 40-year history of responding to residents in large-scale

revitalization projects and partnerships with public housing authorities.”

“The Kalel team is thrilled to continue this partnership with NYCHA, Beacon, MBD and our financing partners to preserve and create housing opportunities for residents throughout New York City,” said Kalel Companies founding principal Pierre Downing. “We are eager to commence work alongside the residents, families, and resident leadership to deliver the comprehensive renovations and expanded services provided through NYCHA’s PACT program across the Boston Secor, Middletown Plaza and Boston Road Plaza communities.”

“MBD is proud to be part of PACT for Boston Road Plaza, Boston Secor, and Middletown Plaza,” said MBD Community Housing Corp. chief executive officer Derrick Lovett. “This endeavor, which will enhance the quality of life for nearly 1,600 residents across 951 units through extensive renovations, improved property management, and expanded social services, aligns closely with MBD’s mission to preserve and expand affordable housing opportunities throughout the Bronx. We are excited to collaborate with tenant leadership, our development and management partners, as well as NYCHA, to bring this project to fruition. This partnership highlights the power of cross-sector collaboration in positively transforming our communities.”

Upgrades to unit interiors, exteriors and shared spaces are planned. Units will receive improvements to bathrooms and kitchens, new doors and flooring and fresh paint. All three developments will be outfitted with new roofs, modernized elevators, free Wi-Fi for households and electrical, heating, cooling, plumbing and ventilation upgrades. The grounds will be restored with landscaping, concrete pavement, new seating areas, bike racks, walking paths and playgrounds.

Repairs are underway and are expected to be completed in 2026.

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