



## Merchants Capital Arranges \$375MM Freddie Mac Financing for Milestone NYCHA PACT Brooklyn Bundle II Rehab of Over 2,600 Units

**NEW YORK (March 9, 2020)** – Mortgage banking company, [Merchants Capital](#), has provided \$375 million in financing on behalf of a joint venture between Omni New York LLC (“Omni”), The Arker Companies (“Arker”), Dabar Development Partners (“Dabar”), and Bedford Stuyvesant Restoration Corporation (“Restoration”) to purchase and complete major renovations for more than 2,600 units scattered across nine Brooklyn developments, referred to as the NYCHA Brooklyn Megabundle (“PACT Brooklyn Bundle II”).

In 2018, the Mayor’s Office and the New York City Housing Authority (“NYCHA”) released NYCHA 2.0, a comprehensive 10-year, \$24.4BB plan to preserve NYC’s public housing, through capital investments which ensure residents have the safe, quality, and affordable homes they deserve. The cornerstone of NYCHA 2.0 is NYCHA’s Permanent Affordability Commitment Together (“PACT”) Preservation Initiative. PACT focuses on leveraging HUD’s Rental Assistance Demonstration Program (“RAD”), as well as other Section 8 programs, to marshal private debt and equity investment in NYC’s public housing stock.

PACT Brooklyn Bundle II consists of a nine-development portfolio, with 2,625 units, located across Brooklyn. As part of its PACT Initiative, NYCHA issued an RFP for qualified applicants to finance, rehab, and manage this portfolio, which represents the largest preservation transaction executed to date under NYCHA’s PACT Initiative. The joint venture partnership between Omni, Arker, Dabar and Restoration was selected as the recipient of this RFP.

The highly structured financing, crafted by the New York City Housing Development Corporation (“NYCHDC”), Freddie Mac and Merchants Capital in a collaborative effort, consists of a straight-to-permanent NYCHDC Freddie Mac Risk Share loan of approximately \$375,000,000, which will fund the acquisition, rehabilitation and recapitalization of the property.

The landmark NYCHA PACT transaction will benefit more than 6,300 residents by providing comprehensive upgrades to 2,625 apartments and common areas, including the complete renovation of residential unit interiors, installation of security systems, vital site improvements, common area improvements, community facility improvements, building exterior improvements, and replacement of building systems, as well as extensive electrical, mechanical and plumbing upgrades.

The transaction will support the development, management and social service plans for nine developments: Armstrong I, Armstrong II, Weeksville Gardens, Berry Street-South 9th Street, Marcy

Avenue-Greene Avenue Site A, Marcy Avenue-Greene Avenue Site B, 572 Warren Street, Independence Towers, and Williams Plaza.

“Growing up in NYCHA Nathan Straus Houses, this transaction had a much deeper meaning – it brings me such joy to be able to provide quality housing to those who need it most, and to be able to work with people in this industry who are so proud and dedicated to working towards this same goal,” said Jessica Cherepski, Merchants Capital Senior Vice President and Chief Underwriter on the deal.

“We’re honored to be a part of the team that closed this transaction which, beyond being historic, will affect meaningful change for thousands of deserving residents,” said Mathew Wambua, Merchants Capital Vice Chairman and Leading Originator on the deal. “Our gratitude is immeasurable and extends to our clients, Omni and Arker, as well as the innumerable parties and individuals who made this possible.”

“Merchants Capital’s extensive lending expertise sets them apart,” said Eugene Schneur, Managing Director at Omni New York LLC. “We are deeply committed to guaranteeing local communities thrive and being part of the NYCHA Brooklyn PACT bundle is a perfect chance to support local Brooklyn neighborhoods, allowing communities to enjoy improved homes for generations.”

“We are proud and excited to get to work on these critical repairs and bring modern amenities to the thousands of residents in the Brooklyn PACT bundle,” said Arker Companies Principal Daniel Moritz. “The NYCHA PACT program puts the community first and sets a new standard for preserving affordable housing for New Yorkers. Our hope is that this new partnership will improve the quality of life for residents and open up even more opportunities for their families.”

“Together we are breathing new life into affordable housing developments that serve thousands of Brooklyn residents,” said Michael Patterson, Vice President of Underwriting and Credit at Freddie Mac Multifamily. “Freddie Mac is proud to have worked with our partners at Merchants, Arker, Omni and in city government to bring about this historic transaction, which brought out the best in each of the teams involved. This is an agreement that values communities, ensures residents have safe and modern housing and, most importantly, it preserves affordability where it is needed most.”

To learn more about Merchants Capital and its services, visit [www.merchantscapital.com](http://www.merchantscapital.com) or find Merchants Capital on [Facebook](#), [Twitter](#) and [LinkedIn](#).

###

**MEDIA CONTACT:** Ashley Shuler, [ashley.shuler@dittoepr.com](mailto:ashley.shuler@dittoepr.com), 317-202-2280 ext. 30

#### **ABOUT MERCHANTS CAPITAL**

Established in 1990, Merchants Capital is one of the nation’s top lenders for the refinance, acquisition, new construction and substantial rehabilitation of multifamily, affordable, senior and student housing. Whether you are considering Freddie Mac, Fannie Mae, HUD/FHA insured or balance sheet financing, let our personalized services help you meet your financing objectives. Experience the creativity of a small lender, with all the capabilities of a large institution. To learn more about Merchants Capital, visit [www.merchantscapital.com](http://www.merchantscapital.com).