

Mixed-Income Developments

**An Interview with Meredith Marshall,
Managing Partner and Co-Founder, BRP Companies**

EDITORS' NOTE Prior to co-founding BRP, Meredith Marshall was a Managing Director at Musa Capital Advisors. Earlier, he was a Senior Associate at Wasserstein Perella & Co. Marshall holds a B.S degree in electrical engineering from Boston University and an M.B.A. in finance and international business from Columbia Business School.



Meredith Marshall

COMPANY BRIEF BRP Companies (brpcompanies.com) is a New York-based real estate firm that is at the forefront of affordable, mixed-income, and market-rate housing and commercial developments. From the firm's modest beginning in 1998 as a local development company, BRP has successfully evolved into a vertically integrated organization offering a full complement of development, construction, property management, and financial services. With an experienced staff of 70, a track record of more than 1.3 million square feet of completed real estate projects, and more than 3.6 million square feet currently in development, BRP is uniquely positioned to meet the demands of urban housing consumers. In addition to BRP's development, construction, and property management services, BRP offers an array of financial products and services through its affiliate BRP CDE, LLC, a Community Development Entity serving the New York, New Jersey, and Pennsylvania metropolitan areas.

Would you discuss the history and heritage of BRP Companies and how the business has evolved?

BRP Companies was established in 2003. From 1998 to 2003, the two co-founders were working part time on developing smaller properties, which were value-added rehabilitations in areas like Clinton Hill and Fort Greene in Brooklyn. We decided to go full time when the projects became more complex and larger.

We hired staff and had five people working out of a storefront in Fort Greene. We then became involved with for-sale, 25-unit or more condominiums. In 2007, we brought in institutional capital. Subsequently, when the market changed, BRP moved into affordable, mixed-income, and some 80/20 rental projects with Goldman Sachs as our primary investor.

That same year, Goldman Sachs bought out our initial equity investor and, over the past 10 years, we've been in a strategic relationship

where they have invested over half a billion dollars in our projects.

We've grown from a small development company to a very nimble and prolific builder of mixed-income developments in the Tri-State area. We're probably one of the largest mixed-income developers in this area.

We have about \$1.7 billion in past and current development and another billion in pipeline developments.

We have a fully integrated staff that handles development construction management and property management. We

also have a finance group and an investment management group that invests funds. We have an equity fund with Goldman Sachs that we established in 2014, and we have ongoing relationships with LP investors on the equity side as well as many banking relationships such as Chase, Citi, Wells Fargo, Capital One, and Santander Bank.

We do a lot of affordable housing that can be low income, combination low income/middle income, or combination middle/low/moderate income. We also build market rate developments – we have two condominium projects that we're selling now in Harlem. Projects like this have 20 percent affordable units for New York City residents who make below \$80,000 and we have market rate transactions. Our focus now is trans-oriented mixed-use development in Nassau County, Southern Westchester County, Hudson County in New Jersey, and Essex County.

How difficult is it to find opportunities today?

We have been in this game for almost 20 years now and have developed strong relationships. We get calls because we like complex deals that have several layers of complicated financing, either low-income tax credit or new market tax credit, or other interesting tax structures.

Because we're fully integrated and because we have a lot of people with financial know-how, we attract substantial deal flow. We get the best use out of our people while, at the same time, receiving an attractive return for our investors.

We like projects where we can also do good while doing well. If we can deliver affordable, green housing, create new jobs, and make money at the same time, that's a triple win for us.

What is your vision for the Crossing at Jamaica Station and for Caton Flats?

We're in construction at Jamaica Station – that is going to be 669 units of mixed-income

apartments, with low income and middle to moderate income. We'll address needs from families who make from less than \$40,000 to those making \$80,000 and beyond.

It's located at a transit hub. The Long Island railroad has 10 of its 12 lines coming through there and there are MTA Bus lines as well. It's very attractive from a transportation perspective. Prospective residents can live in Jamaica and easily commute east to Long Island or west to Manhattan and other boroughs. We will build residential and retail with an amenity package that attract people who are used to better housing options.

Once the market is established there, we can build more product. To the benefit of Jamaica, they had the good sense to upzone this area 10 years ago, so we can build to almost 300 feet without getting any special entitlements.

Caton Flats is a city-sponsored project. It was a former parking lot that held a flea market that needed to be revamped. We have to temporarily relocate the vendors to a new site, demolish the current market, and build over 250 units of housing with retail. We're going to have an economic incubator based on the culinary arts because that neighborhood is very rich in Caribbean cuisine. It will also offer flexible space. It will be a mixed-use, mixed-income development and it will leverage all of these uses and provide housing to people in the neighborhood.

We believe that mixed income is the best way to move forward in this country – totally inclusive with people from different socioeconomic levels coming together.

How critical is affordable housing in order to maintain a diverse base?

We have a crisis in housing for the people who make the city run – the first responders, the teachers, the nurses, etc. Even mid-level white collar workers are priced out because there is more housing pressure demand than there is supply.

If we build mixed-income housing, we address this and we address the different economic strata. It's not just low income; it's also middle income, which captures a lot of the workforce. It's essentially workforce housing.

Affordable housing has a stigma attached to it. We're building mixed income housing that addresses the needs of everyone. New York City has between 25 and 30 percent of its population below the poverty line, but we have 75 percent of people above the poverty line. ●