

**MINUTES OF THE 19TH MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY'S
FINANCE AND PROGRAM COMMITTEE
HELD ON JULY 12, 2012, AT 9:05 A.M
AT ITS OFFICES AT 641 LEXINGTON AVENUE**

MEMBERS AND DESIGNEES

PRESENT

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| William J. Mulrow | Chairman |
| Elaine McCann | Division of the Budget, representing Robert Megna, Member (via video conference) |
| Royce Mulholland | Member |

Chairman William J. Mulrow, opened and chaired the meeting. He noted that Elaine McCann was participating in the meetings by video conference from the New York State Division of Budget conference center at the Capital Building, Room 131, in Albany. A public notice was given of the venue.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary and stated that Joseph R. Palozzola, an attorney in the Legal Department of the Agencies and the Agencies' Intergovernmental Representative, would assist him at today's meetings.

Mr. Palozzola asked for a motion and a second to call the meeting to order of the New York State Housing Finance Agency Finance and Program Committee meeting. Mr. Mulholland made a motion to call the HFA Finance and Program Committee meeting to order; Elaine McCann seconded the motion.

The first item on the agenda was the approval of the minutes of the 18th HFA Finance and Program Committee, held on June 14, 2012, which minutes were deemed approved, absent corrections from Members.

The next items on the agenda were resolutions authorizing financing in an amount not to exceed \$32,380,000 for Jackson Avenue Apartments located at 26-14 Jackson Avenue, Long Island City, Queens County. David Simmons, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. He stated that this new 80/20 construction project has 98 rental units and approximately 5,000 square feet of retail space. He stated that 20 units will be set aside for households with incomes at or below 50% of the Area Median

Income ("AMI") for New York City, and 4 units will be rented to households with incomes at or below 40% of the AMI. He stated that Citibank N.A. will purchase the bonds for a ten-year term based on a variable interest rate during 2.5 years of construction, and a fixed interest rate during the remaining permanent mortgage loan phase.

Mr. Mulholland moved to adopt the resolution; Elaine McCann seconded the motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE FINANCE COMMITTEE OF THE NEW YORK STATE HOUSING FINANCE AGENCY RECOMMENDING THE ISSUANCE OF CERTAIN BONDS

The next items on the agenda was a resolution authorizing financing in an amount not to exceed \$21,000,000 for 11th Street Apartments located at 46-09 11th Street, Long Island City, Queens County. David Simmons, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. He stated that this new 80/20 construction project has 59 rental units, and that 12 units will be set aside for households with incomes at or below 50% of the AMI for New York City, and 2 units will be rented to households with incomes at or below 40% of the AMI. He stated that Citibank N.A. will purchase the bonds for a ten-year term based on a variable interest rate during 2 1/4 years of construction, and a fixed interest rate during the remaining permanent mortgage loan phase.

Marian A. Zucker, President, Office of Finance & Development, stated that, with regard to taxable and non-taxable bonds, the Agency would henceforth handle its 80/20 projects, including this one and the previously discussed Jackson Avenue Apartments, somewhat differently, in order to not put its tax-exempt bonds resources at risk. She stated that instead of fully-funding requests from developers and lenders, the Agency would scrutinize bank term sheets, and lend amounts only up to the amounts of the real estate exposure that banks would be willing to lend to projects on a tax-exempt basis. She added that if there was any difference, the Agency could layer in taxable bonds which it does not have a limit on, rather than over-allocate tax-exempt bonds for which volume is used.

Mr. Mulholland moved to adopt the resolution; Elaine McCann seconded the motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE FINANCE COMMITTEE OF THE NEW YORK STATE HOUSING FINANCE AGENCY RECOMMENDING THE ISSUANCE OF CERTAIN BONDS

The next items on the agenda were resolutions authorizing financing in an amount not to exceed \$27,000,000 for Willoughby Court Apartments located at 109 Marcus Garvey Boulevard, 721 Willoughby Avenue and 300 Vernon Avenue, Brooklyn, Kings County. Richard Brown, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. He stated that this acquisition and rehabilitation project has 5 occupied commercial spaces and 267 rental units; and that 245 units will be set aside for households with incomes at or below 60% of the AMI for New York City, with one unit set aside for the superintendant. He added that all units are covered by a renewable HUD Housing Assistance Payment (HAP) contract, and that this would be a Fannie-Mae insured project from day-one of the construction closing. He stated that the project was originally constructed in 1976 under the Mitchell-Lama Program and would help to preserve Mitchell-Lama housing for New York City. Mr. Brown stated that Empire State Development Corporation holds the mortgage on the property which is being acquired by the Borrower in an arms-length transaction from an unrelated entity for \$18,850,000.

Mr. Mulholland moved to adopt the resolution; Elaine McCann seconded the motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE FINANCE COMMITTEE OF THE NEW YORK STATE HOUSING FINANCE AGENCY RECOMMENDING THE ISSUANCE OF CERTAIN BONDS

The next items on the agenda were resolutions authorizing financing in an amount not to exceed \$20,900,000 for Greater Hempstead Apartments located at 239, 255 South Franklin Avenue and 18, 20, 33 and 37 Linden Avenue, Village of Hempstead, Nassau County. Leonard Gruenfeld, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. He stated that this new construction project is located on a 2.2 acre site, and that 99 of the 100 units will be set aside for households with incomes at or below 60% of the AMI for Nassau County, with one unit set aside for an employee. He added that the project includes 6,000 square feet of retail space which will be leased by non-profit service providers. Mr. Gruenfeld stated that the project's total construction cost will be approximately \$21.5 million, or \$215,000 per unit, and the total development cost will be approximately \$33.5 million. He noted that the Agency's background check found several open NY State tax liens against the architect, and that the Agency plans to coordinate with NYS Department of Taxation and Finance to insure that the liens are fully paid, by or before the construction closing.

Mr. Mulholland moved to adopt the resolution; Elaine McCann seconded the motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE FINANCE COMMITTEE OF THE NEW YORK STATE HOUSING FINANCE AGENCY RECOMMENDING THE ISSUANCE OF CERTAIN BONDS

There being no unfinished business, Mr. Mulholland moved to adjourn the meeting; Elaine McCann seconded the motion; and the meeting was adjourned at 9:35 a.m.



Secretary