

**MINUTES OF THE 20TH MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY'S
FINANCE AND PROGRAM COMMITTEE
HELD ON SEPTEMBER 13, 2012, AT 9:45 A.M
AT ITS OFFICES AT 641 LEXINGTON AVENUE**

MEMBERS AND DESIGNEES

PRESENT

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| William J. Mulrow | Chairman |
| Renee Nowicki | Division of the Budget, representing Robert Megna, Member (via video conference) |
| Darryl C. Towns | Member |

Chairman William J. Mulrow, opened and chaired the meetings. He noted that Renee Nowicki was participating in the meeting by video conference from the New York State Division of Budget conference center at the Capitol Building, Room 143, in Albany. A public notice was given of the time and location of that venue.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary and 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. Chairman Mulrow made a motion to call the HFA Finance and Program Committee meeting to order; Commissioner Towns seconded the motion.

The first item on the agenda was the approval of the minutes of the 19th HFA Finance and Program Committee, held on July 12, 2012, which minutes were deemed approved, absent corrections from Members.

The next item on the agenda was a resolution recommending the approval of financing in an amount not to exceed \$23,100,000 for Mariner Apartments, 186 Efner Street, City of Buffalo, Erie County. Thomas Martin, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the meeting materials provided to the Members in connection with this item, which are incorporated herein by reference. He stated that the project consists of the acquisition and rehabilitation of a 292-unit housing complex, of which 290 units have an existing Section 8, HUD Housing Assistance Payment (HAP) contact. He stated that 99% of the revenue-generating units will be for tenants with incomes at or below 60% of the Buffalo-Niagara Falls area median income ("AMI"). He stated that the borrower was Liberty Affordable Housing, Inc., the credit enhancer was NBT Bank and the credit investor was Raymond James Tax Credit Funds. He stated that there will be a Payment in Lieu of Taxes

(PILOT) Agreement from the City of Buffalo for a 32-year period which was approved by City Council within the past few days. Mr. Martin stated that this project was contingent upon the Borrower obtaining expected funds from the Federal Home Loan Bank which have not yet been awarded.

HFA Vice Chairman Weiss noted that he was from the project area, and that many improvements in that area tie into this great, much-needed project.

Chairman Mulrow moved to adopt the resolution; Commissioner Towns 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 item on the agenda was a resolution recommending the approval of financing in an amount not to exceed \$15,180,000 for Bridleside Apartments, 256-258 June Road, Town of North Salem, Westchester County. Ms. Zucker stated that this new construction project will help Westchester meet the federal fair-housing court settlement requirement to provide integrated affordable housing throughout the county. Leonard Gruenfeld, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the meeting materials provided in connection with this item which are incorporated herein by reference. He stated that this project consists of 65 affordable housing units, with 64 units set aside for tenants with incomes at or below 60% of the AMI for the Westchester County Statutory Requirement, and 13 units set aside for tenants with incomes at or below 50% of the AMI. Mr. Gruenfeld stated that the experienced affordable-housing developers were Wilder Balter Partners and the Housing Action Council, and that the credit enhancer for the bonds during the construction period would be The Bank of New York, N.A. He stated that the project's total development cost approximates \$28.2 million.

Chairman Mulrow moved to adopt the resolution; Commissioner Towns 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 item on the agenda was a resolution recommending the approval of financing in an amount not to exceed \$12,300,000 for Creston Avenue Residence, 2382-2388 Creston Avenue in Bronx County. Ms. Zucker stated that this new construction project will contain both supportive and low-income housing units. She stated that earlier this year, the Governor assembled the New York State Medicaid

Redesign Team (MRT), geared toward lowering the State's Medicaid costs and moving tenants from supportive housing facilities into more mainstream living environments. She stated that \$25 million of MRT funds went to NYS Homes and Community Renewal (HCR), and \$2.625 million was awarded to this project.

David Simmons, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the meeting materials provided to the Members in connection with this item, which are incorporated herein by reference. He stated that this project will have 66 housing units, of which 65 will be set aside for households with incomes at or below 60% of the AMI for Bronx County. He stated that 21 studio units will be set aside for persons with special needs, 24 units will be set aside for disabled veterans, and the remaining 20 units will be set aside for tenants with incomes at or below 60% of the AMI. Mr. Simmons stated that the credit enhancer for the bonds during the construction period would be J.P.Morgan Chase Bank, and that the project's total development cost approximates \$28 million. He stated that the owner-borrower would be controlled by The Housing Collaborative LLC and Volunteers of America-Greater New York.

Chairman Mulrow moved to adopt the resolution; Commissioner Towns 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 item on the agenda was a resolution recommending financing in an amount not to exceed \$10,230,000 for Colonial Square Apartments I and II (a/k/a Highland Apts. & Holland Apts.), located at 200 Virginia Lane and 100 Charles Lane, City of Amsterdam, Montgomery County. Thomas Martin, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the meeting materials provided to the Members in connection with this item, which are incorporated herein by reference. He stated that the project, which consists of two projects, will finance the acquisition and rehabilitation of 18 adjacent townhouses which contain 200 units of affordable multi-family housing, and will be combined into Colonial Square Apartments I and II. He stated that about 50% of each project has a Section 8 project-based HAP contract which will be assigned to the new borrower, Liberty Affordable Housing Inc., upon refinancing. He stated that 100% of the units will be affordable to tenants with incomes at or below 60% of the AMI. Mr. Martin stated that the credit enhancer for the bonds during the construction period would be U.S. Bank N.A. on behalf of NBT Bank N.A., and that the project's total development cost approximates \$16.7 million. He stated that a 32-year PILOT Agreement was expected from the City of Amsterdam.

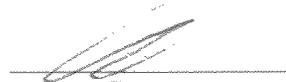
HFA Vice Chairman Weiss asked why Amsterdam's low-income housing tax credit cost of \$.91 per tax credit was lower than the tax credit cost of the Buffalo project.

Mr. Martin responded that it was originally at \$.93 about two months ago, but he did not know why Raymond James Tax Credit Funds, Inc. recently lowered it. Gail Bressler, Vice President of Multi-Family Housing, stated that pricing of tax credits seems to be dropping Upstate.

Chairman Mulrow moved to adopt the resolution; Commissioner Towns seconded the motion, and the following resolution was adopted unanimously:

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There being no unfinished business, Chairman Mulrow moved to adjourn the meeting; Commissioner Towns seconded the motion; and the meeting was adjourned at 10:18 a.m.


Secretary