

**MINUTES OF THE 49th MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY'S
FINANCE AND PROGRAM COMMITTEE
HELD ON OCTOBER 15, 2015 AT 9:26 A.M
AT ITS OFFICES AT 641 LEXINGTON AVENUE**

MEMBERS AND DESIGNEES

PRESENT

William C. Thompson	Chairman
James S. Rubin	Member
Elaine McCann	Division of the Budget, representing Mary Beth Labate, Budget Directors, Member (via video conference)

Chairman William C. Thompson presided over the meeting.

Mr. Adam Schuman acted as Secretary. He noted that Ms. Elaine McCann from the New York State Division of the Budget, representing Budget Director, Mary Beth Labate, participated in the meeting via video conference from the New York State Division of Budget conference center at the Capitol Building Room 131 in Albany. A public notice was given of the time and location of the venue in accordance with the New York State Open Meetings Law.

Mr. Schuman 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 Thompson made a motion to call the HFA Finance and Program Committee meeting to order; Ms. Elaine McCann seconded the motion. These motions and seconds would be used, unless specific items called for a different vote, or unless any Committee Member wished to record his or her vote differently.

Mr. Steven J. Weiss, Mr. Nestor M. Davidson, and Mr. Christopher Curtis, Deputy State Treasurer in his role as designee of the Commissioner of Taxation and Finance, New York State Department of Taxation and Finance, all HFA Members attended this meeting as guests.

The first item on the agenda was the adoption of the minutes of the 48th HFA Finance and Program Committee held on September 10, 2015. There being no objections or corrections from the Members, the minutes were deemed approved.

The next item on the agenda was a resolution recommending financing approval in an amount not to exceed \$9,885,000 for Alexander Street Apartments, 175 Alexander Street, Rochester, Monroe County. Mr. Bret Garwood, Senior Vice President, Multifamily Housing, introduced the four (4) items that would be presented at the meeting, noting that the first was part of the integrated supportive housing program that is part of the New York State Medicaid Redesign Team (“MRT”) program, located in upstate, NY. Mr. Garwood noted that this is an interesting location as there is a lot going on in the neighborhood (a high school is down the street from the revitalization site of a former hospital).

Mr. Garwood reported that Management seeks authorization to issue bonds for the construction of sixty (60) units of housing and that thirty (30) units will be set aside for persons with psychiatric disabilities. He said the investment recommendation is \$9.8 million in estimated maximum fixed-rate, tax-exempt bonds and includes approximately \$632,000 in tax credits. Mr. Garwood noted that the total project cost is approximately \$16.5 million. He said the leverage of the project includes an estimated maximum of approximately \$2.5 million from the MRT program. He also said that there is a New York State Office of Mental Health (“NYSOMH”) Capital Loan of up to \$3 million during construction. He said the project will also benefit from a Payment in lieu of Taxes (“PILOT”) Agreement with the City of Rochester for a term of 30 years.

Mr. Garwood said that the three-story apartment building will contain sixty (60) one-bedroom units, three (3) of which will be fully accessible for the mobility impaired, and two (2) of which will be accessible for the hearing and/or visually impaired. He said there is no superintendent unit; however, the Management office is next door and there is 24-hour security on the site.

Mr. Garwood stated that a surface level parking lot will contain approximately forty-one (41) parking spaces and additional space for bicycle storage for tenants at no charge. He stated that the project site, currently owned by Glazer Office Management LLC, will be acquired by East House prior to the bond and mortgage closing in the expected amount of \$525,000, as supported by an appraisal reviewed and approved by OMH. He also stated that the developer is a combination of Pathstone Management Corporation and East House; they have partnered with NYSDHCR in the past.

HFA Board Member, Mr. Davidson stated that he noticed a new metric for job creation for all four (4) of the projects that appeared on the agenda and requested additional background information. Ms. Zucker noted that Management usually relies on the developer for the job creation amounts. Mr. Garwood noted that Management relied on an independent entity (National Home Builders Association) which is known for creating the best studies for affordable housing to provide job creation numbers (he noted that based on recent comparisons, job creation numbers have actually decreased). Mr. Davidson noted the importance of uniformity.

Mr. Davidson also pointed out that the pro forma cash flow from years 2011-2015 decreased significantly and expressed concern about the risk. Mr. Garwood noted that in this particular case, there is a lot more comfort from “a first mortgage point of view,” resulting in less risk and in terms of the lender, it is a lot safer.

HF

A Vice-Chairman, Mr. Weiss commented favorably on the fact that the tax credit pricing has gone up in both Rochester and in Binghamton. Ms. Zucker will provide a year-end report on pricing.

Considering the first and second motions previously entered, the motions were carried, 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 authorizing financing approval in an amount not to exceed \$6,665,000 for 100 Chenango Place Apartments, 100 Chenango Street, Binghamton, Broome County. Mr. Garwood noted that this project is an upstate preservation deal in downtown Binghamton. He noted that the project represents the acquisition and rehabilitation of one 15-story, 144-unit building for seniors. He also noted that 143 revenue generating units are expected to be set aside for senior households with income at or below 60% of the Area Median Income.

Mr. Garwood reported that the investment recommendation is \$6.6 million; also, there is \$438,000 in estimated annual allocation of 4% low-income housing tax credits and a \$750,000 HFA Subsidy Loan. He noted that the project will enjoy and benefit from a United States Department of Housing and Urban Development project-based Section 8 Housing Assistance Payment Contract for eighty-six (86) units. He said that later, today, Management will be seeking approval of a \$2 million in Homes for Working Families Loan from the Housing Trust Fund Corporation Board.

Mr. Garwood noted that the amenities included a laundry room on floors 2-15, twenty-four hour emergency maintenance, a community room, a library, and approximately fifty (50) parking spaces. He noted that there is a substantial scope of work which will include a new roof with additional insulation, new properly sealed windows, new sprinkler system, and elevator modernization. He said that all units will receive kitchens fitted with Energy Star appliances; new bathrooms fitted with low-flow plumbing fixtures. He said that six (6) units will be reconfigured to meet ADA requirements.

Mr. Garwood stated that the developer is Liberty CNY Housing, LLC, a developer with whom the Agencies have substantial experience. However, he said the investor has changed to First Urban which will result in a small increase in the credit price. He said the

previous investor was new to the Agencies and couldn't meet the timing of the closing. This is the Agency's first deal in Binghamton, NY.

Considering the first and second motions previously entered, the motions were carried, 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 authorizing financing approval in an amount not to exceed \$174,000,000 for 210 Livingston Street, Brooklyn, Kings County. Ms. Zucker stated that Management seeks authorization to issue bonds for the construction of 368 units of multifamily housing to be located in downtown Brooklyn. She explained that the total development cost is estimated to be approximately \$235,000,000. She said the investment recommendation is \$174,000,000 in estimated maximum variable-rate, tax-exempt and taxable bonds; estimated maximum construction and permanent period variable rate mortgage loan of \$158,000,000 and \$126,400,000 of variable-rate taxable bonds; \$31.6 million of variable-rate, tax-exempt bonds (approximately \$400,000 per affordable unit).

Ms. Zucker stated that the project will consist of one 25-story tower (108 studios, 168 one-bedroom apartments, 91 two-bedroom apartments and one (1) three-bedroom apartment). She said the affordable units will be affordable into perpetuity in accordance with the guidelines of the City of New York Department of Housing Preservation and Development's Inclusionary Housing Program. She said the retail space and parking garage will consist of approximately 19,000 square feet.

Ms. Zucker said the borrower is comprised of members of Rose Associates, Inc. and The Benenson Capital Company LLC (Benenson). She said both Rose Silverman and Adam R. Rose are long-standing residential developers based in New York City and oversee over 16,000 rental units. She said; Benenson Capital has been in existence for over 100 years.

Ms. Zucker said Rose Associates, Inc. is also the Managing Agent for the project and that Monadnock Construction, Inc. is the Construction Manager (manages both affordable and 80/20 developments).

Ms. Zucker said the project includes access to the Hoyt-Schermerhorn MTA subway station by Jay Street in downtown Brooklyn. She noted that there's a number of green elements, i.e. energy efficient lighting, green roofs, Energy Star appliances, etc

Considering the first and second motions previously entered, the motions were carried, 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 further business, Mr. Schuman asked for a motion and a second to adjourn the New York State Housing Finance Agency's Finance and Program Committee meeting. Ms. McCann moved to adjourn; Chairman Thompson seconded the motion, and the meeting was adjourned at 9:55 a.m.



Adam Schuman, Secretary