



\*\*\*\*\*

**The next item on the agenda was a resolution recommending financing approval in an amount not-to-exceed \$380,000,000 for 606 West 57<sup>th</sup> Street Apartments, located at 606 West 57<sup>th</sup> Street, New York County.** Ms. Zucker provided the relevant background information with regard to this request. She reported that the project will be a multifamily residential rental development located on West 57<sup>th</sup> Street between 11<sup>th</sup> and 12<sup>th</sup> Avenues, in the Clinton section of Manhattan. She said that staff seeks authorization to issue \$272 million of variable rate taxable bonds and that the total development cost is estimated to be approximately \$590,235,589.

Ms. Zucker reported that twenty percent (20%) of the revenue generating units will be affordable to tenants with incomes at or below 60% of AMI. She also reported that the project is expected to be required to set aside eighteen (18) additional units for middle-income households. She said of the eighteen (18) middle-income units, ten (10) units will be restricted to tenants at or below 175% of AMI, pursuant to the New York City Department of Housing Preservation and Development's ("HPD") Inclusionary Housing Program's requirements.

Ms. Zucker reported that the project will contain two (2) retail commercial spaces on the ground floor.

She said that the borrower will be 606 West 57 LLC and the Sponsor is TF Cornerstone, Inc. ("TFC") who has 40 years of development experience and will manage the property.

HFA Vice-Chairman Weiss noted that this project highlights the significant change in the HFA financing structure put in place earlier this year. He noted that out of approximately \$300 million in bonds, only \$108 million of volume cap is being used which represents an enormous savings, since volume cap is a scarce resource for the State. Ms. Zucker confirmed that the Agency is saving almost \$200 million in cap and will distribute a spreadsheet to the Members to highlight this fact.

Representatives from TFC were present; Mr. John McMillian reported that in accordance with HPD guidelines, the affordability requirements for the 206 low-income units and the ten (10) middle-income units will remain in place in perpetuity.

Chairman Mulrow spoke favorably about the transformation of the entire section of the west side. Representatives noted the lack of active new housing development on the west side and how their organization will be the catalyst for that change.

Considering the first and second motions previously entered, the motions were carried, and the following resolutions were unanimously adopted:

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 recommending financing approval in an amount not-to-exceed \$250,000,000 for 33 Bond Street Apartments, located at 33 Bond Street in downtown Brooklyn, Kings County. Ms. Zucker noted that this project represents the second transaction before the Board at this meeting involving TFC. Staff seeks authorization to issue \$188 million of variable-rate, taxable bonds over a four-year period. Ms. Zucker reported that the project is eligible for a zoning bonus under New York City's Inclusionary Housing Program as administered by the HPD.

Ms. Zucker stated that the planned amenities include a terrace, lounge, play room and fitness center. She said that the project will also consist of lower level and grade level retail space and 170 below-grade, parking space. She said that it is anticipated that the project will be divided into five (5) condominiums, one of which will consist of the ground floor loading dock.

Ms. Zucker said that the Agency's bond resolution will authorize the issuance of bonds which will be sold on a weekly floating-rate basis.

As part of her summary of this project, Ms. Zucker informed the Board of a new requirement applicable to bank letters of credit, which became effective in September. She said as a result, LOCs will become increasingly expensive for the Agency to obtain.

HFA Vice Chairman Weiss asked for details on the new requirement, and also asked whether there was anything the Members could utilize to become educated.

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 recommending financing approval in an amount not-to-exceed \$19,100,000 for Dorado Apartments, located at 160 Warburton Avenue, City of Yonkers, Westchester County. Mr. Bret Garwood, Senior Vice President, Multifamily Housing, provided the relevant background information with regard to this request. He reported that this investment includes the issuance of a maximum of approximately \$19 million in fixed-rate, tax-exempt bonds. He noted that the project will benefit from a Mitchell-Lama Subsidy Loan in an amount up to a maximum of \$6.3

million. Mr. Garwood reported that the project's total development cost is estimated to be approximately \$37.3 million. He said that 95% of the units will be affordable to tenants with incomes at or below 80% of the AMI.

Mr. Garwood said that as part of HUD's Rental Assistance Demonstration Payment in lieu of Taxes ("PILOT") Program, the project has received a Section 8 Project-based Voucher ("PBV") Housing Assistance Program ("HAP") contract. He said there is \$9,538,452 of previously held Empire State Development ("ESD") debt that is currently held by the Agency and will be subordinated.

Mr. Garwood reported that the developer, Beacon Communities Corp., is located in Boston, MA and is a very well-established developer.

Mr. Garwood provided additional background information by noting that the project was built in 1973 and the existing Mitchell-Lama property has a total of 210 units and consists of one 17-story steel and masonry building containing 189 units. He also noted that the project to be financed by the Agency consists of thirty-one (31) studios, ninety-three (93) one-bedroom units and sixty-five (65) two-bedroom units, including one (1) employee unit.

Mr. Garwood reported that as a result of RAD, 18 of the 21 units currently benefit from a PBV HAP Contract. He said that the townhouses are expected to be demolished and affordable housing will be rebuilt in their place, which is expected to be financed by the Agency at a later time. Mr. Garwood said the purchase price of the Townhouses will be \$1,425,000 and is comprised of \$1,000,000 of cash at closing and the assumption of \$425,000 of previously held ESD debt by The Community Builders. He said of the \$1,000,000 in cash at closing, the Seller will use \$250,000 to pay the Agency an equivalent amount of previously held ESD debt and distribute \$462,500 to partners of the Seller and \$287,500 to Beacon.

Mr. Garwood reported that much green energy work will be done on this property in addition to facade and masonry work. He said the project is also in compliance with the Americans with Disabilities Act and will include ten (10) fully accessible units and elevator refurbishment.

Mr. Garwood explained that currently, the project is underwritten with the expectation that there will be a shelter-rent, tax PILOT from the City of Yonkers Industrial Development Agency, which would mean that the Mitchell-Lama Subsidy Loan would be \$3,511,284. He noted that the resolutions requested authorization for a maximum amount of \$6.3 million in subsidy loan authority to accommodate the possibility that the project will be assessed at higher taxes based on a net operating income formula determined by the City of Yonkers Assessment Department, without a PILOT from the City of Yonkers. Mr. Garwood noted that this scenario, leading to the higher subsidy loan, was likely.

HFA Member, Commissioner Mattox inquired about the selection of ground property managers, as it relates to their background checks and prior performance, and the impact on the investment in these projects. Ms. Zucker noted that the property manager on this project has a great reputation.

Ms. Zucker noted that this project is transitioning out of the Mitchell-Lama program and the LOC is using current pricing.

It was noted that Ms. Zucker's department will share photographs with the Members on a project by project basis, in the future, highlighting progress on the construction and re-construction of these types of projects.

Considering the first and second motions previously entered, the motions were carried, and the following resolutions were 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 were resolutions authorizing financing approval in an amount not-to-exceed \$27,000,000 for Marien-Heim Tower Senior Apartments, located at 870 Ocean parkway, Brooklyn, Kings County.** Mr. Garwood reported that the project comprises the rehabilitation of one building with 182 units and 4,000 square feet of community facility space and provided the historical background of the project.

Mr. Garwood stated that the project was constructed in 1975 and operates as an affordable apartment building for seniors under the HUD Section 236 Program. He said the project consists of one, 13-story building containing 18 residential revenue units and one two-bedroom superintendent unit. He said that all 181 revenue generating units are expected to be set aside for senior households with incomes at or below 60% of AMI, adjusted for family size.

Mr. Garwood said that the renovation will include lobby and public hall beautification; and that project amenities include laundry facilities. He said the scope of the work will address all areas of concern raised during the HUD Real Estate Assessment Center inspection and much needed exterior restoration in order to satisfy Local Law 11 requirements. He said the renovation plans are expected to include new landscaping, new energy efficient boilers, burners and more. He said the total rehabilitation costs are anticipated to be approximately \$13,871,000 or \$76,214 per unit.

Ms. Zucker stated that the Agency continuously evaluates its funding options. She said that earlier this year, Citigroup, N.A. ("Citi") asked the Agency to explore funding certain multifamily projects using Citi's newly developed "Back to Back" loan product. She said that, as a result, the mortgage loan for Marien Heim Apartments will be the Agency's first

project to be financed with this structure. She said the loan will be a drawdown loan bearing interest at a variable rate during the rehabilitation period. She said that after the completion of the rehabilitation and the stabilization of the project, the loan will be refunded into bonds purchased by Citi and secured by a permanent mortgage loan insured by SONYMA. Ms. Zucker said at the initial loan closing, the Agency and Citi will enter into a Forward Bond Purchase Agreement under which Citi will agree to purchase the refunding bonds at a rate established based on the Agency's long-term bond rate, factoring in a typical serial and term bond structure.

Mr. Weiss inquired about the interest rate mechanism, noting that the structure should provide safeguards to ensure that the Agency would not end up paying higher interest rates to those banks, such as Citi, offering these new structures. Ms. Zucker responded that the Agency will know what the rate is beforehand and "lock it in (with a fixed coupon)". She reiterated that the long term bond rate being locked in at the initial closing of the variable rate obligation would be based on current market rates for similar long term structures. In response to a question from Chairman Mulrow as to other market participants offering this type of product, Ms. Zucker noted that both Citi Bank and PNC Bank are the leaders in this area.

Mr. Weiss asked if conversations were had with other housing finance agencies about this type of structure and its benefits. Ms. Zucker said she has conferred with New York City Housing Development Corporation, another agency that has used it.

Considering the first and second motions previously entered, the motions were carried, and the following resolutions were 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 \$8,900,000 for Spa Apartments, located at 11 East Main Street, Clifton Springs, Ontario County.** Mr. Garwood reported that this investment funds the acquisition and rehabilitation of one six-story L-shaped building comprising of 109 units located at 11 East Main Street in the Village of Clifton Springs, Town of Manchester. He reported that ninety percent (90%) or 98 of the revenue-generating units are expected to be set aside for households whose incomes are at or below 60% of the AMI for Rochester NY MSA, adjusted for family size.

He said that staff is seeking approval for the issuance of bonds up to \$8.9 million.

Mr. Garwood said the building, formerly a sanitarium built in 1892, is part of the Clifton Springs Sanitarium Historic District. He stated that in 1974, the building underwent a gut renovation and conversion to senior housing. He said the proposed scope of work consists of new hot water boilers, resurfacing of the parking lot, new apartment windows, new elevators, etc. Mr. Garwood said the total rehabilitation hard costs are \$7,125,945 (\$65,376 per unit). He reported that ten (10) of the project's 109 residential apartments are

covered by a Rent Supplement Contract as part of the Section 236 De-coupling and in conjunction with HUD's RAD program.

Mr. Garwood reported that during the construction and lease-up period, the Bonds will be secured by a LOC from RBS Citizens Bank, N.A.; the LOC will be confirmed by the Federal Home Loan Bank of Boston. He said the project contains 41 studio units, 65 one-bedroom units, and 3 two-bedroom units for an aggregate of 109 apartments.

Mr. Garwood noted that the project's amenities include a laundry room, a community room with a kitchen, two large meeting rooms with kitchens and bathrooms on the top floor.

Mr. Garwood said the acquisition price includes the repayment to the Agency of \$270,000 on the outstanding debt.

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 action item on the agenda was a resolution recommending approval in an amount not to exceed \$325,000,000 for 555 Tenth Avenue Apartments located at 555 Tenth Avenue, Manhattan, New York County.** Ms. Zucker reported that the total development cost is estimated to be approximately \$475 million and out of that, staff is seeking authorization to issue \$325 million in bonds over a three-year period. She reported that twenty percent of the units (120 units) will be affordable to tenants with low-income households and since the project is located within Hudson Yards, it is eligible for a zoning bonus under New York City's Inclusionary Housing Program as administered by HPD. She said that the project will also include retail facility space.

Ms. Zucker said the project itself will contain several condominium structures for legal reasons. She said all of the condos are controlled by affiliates of 555 Tenth Avenue II LLC. She said the construction manager is Gotham Construction ("Gotham").

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 recommending financing approval in an amount not to exceed \$50,000,000 for 29 Flatbush Avenue, located in Brooklyn, Kings County.** Ms. Zucker said that staff is seeking approval for the issuance of

approximately \$50 million tax-exempt and/or taxable bonds to continue a financing which started back in 2010. She said that in December of 2010, the Agency's Members adopted resolutions approving the issuance of up to \$99 million of tax-exempt bonds known as the 29 Flatbush Avenue Housing Revenue Bonds for the project.

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 an information item in connection with Back-to-Back Loan Structure.** It was noted that information regarding this item was contained in the meeting materials provided to the Members in advance of the meeting which are incorporated herein by reference. This item was discussed earlier in the meeting with the Marien-Heim Tower Senior Apartments item that is listed above.

There being no further business, Chairman Mulrow 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 Mulrow seconded the motion, and the meeting was adjourned at 10:00 a.m.

  
\_\_\_\_\_  
C. Jason Kim, Secretary