

**MINUTES OF THE 50th MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY'S
FINANCE AND PROGRAM COMMITTEE
HELD ON NOVEMBER 12, 2015 AT 8:55 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. 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 49th HFA Finance and Program Committee held on October 15, 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 \$60,795,000 for Rutland Road Houses Project, Kings County. Ms. Zucker, President, Finance and Development, provided an overview of the projects that would be coming before the Members on the day's agenda. She noted that it is very typical to have a heavy agenda in November in anticipation of the December project pool.

On a separate note, she stated that some of the recommendations made by the Members for changes to the way the Board memos are presented would be put in place starting with the January board memos. She reiterated that there will be nine (9) projects up for approval, three (3) of which are New York State Urban Development Corporation ("UDC") Mitchell Lama ("ML") Preservation deals; one (1) is an HFA ML, five (5) are new construction deals three (3) are developments for seniors and two (2) are middle-income housing developments; five (5) projects are located in upstate New York and four (4) projects are located downstate, starting with Rutland Road, a UDC ML in Brooklyn, NY. She commented that with seventeen (17) mortgages, the Agencies are on target for the first and second quarters.

Ms. Zucker reported that Rutland Road Houses is part of the Governor's House-NY initiative which funds the rehabilitation of five interconnected nine-story buildings comprising 438 of the U.S. Department of Housing and Urban Development ("HUD") Section 236, Mitchell-Lama multifamily affordable housing. As part of HUD's Rental Assistance Demonstration ("RAD") program, the project expects to receive project-based Section 8 vouchers for at least 347 tenants with income at or below 60% of Area Median Income ("AMI"). She explained that the total development cost is estimated to be approximately \$60,795,000 in estimated maximum fixed-rate, tax-exempt bonds and mortgage loan. Total rehabilitation hard costs are \$19,448,001 (\$44,402 per unit).

Ms. Zucker stated that the proposed scope of rehabilitation includes interior painting throughout the buildings, renovation of bathrooms and kitchens, flooring replacement in vestibule entries and lobbies, upgrades to the security camera system, electric baseboard heating replacement, domestic hot water heater system replacement, common area lighting upgrades, installation of new trash compactors, window replacement where needed, roof repair and replacement where needed, replacement of roof fans, exterior façade repairs, insulation of existing water lines, landscaping improvements and structural repairs to the parking garages.

Ms. Zucker noted that this is a Freddie Mac transaction; and that transactions more than \$25 million exceeds SONYMA's threshold.

Ms. Miller asked about the impact on bond sales and costs as it relates to the issuance of bonds for this project considering the possibility that the Federal Reserve may be raising its rates. Ms. Zucker noted that despite the uncertainty as to Fed action, the market has already factored in the expected rate increase and that bond rates reflect the expectations.

Ms. Miller inquired about the term of the mortgage and affordability requirements. Ms. Zucker explained that there is a Regulatory Agreement in place for the life of 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 a resolution recommending financing approval in an amount not to exceed \$19,000,000 for Copiague Commons, Suffolk County. Ms. Zucker stated that Management seeks authorization to issue bonds for the construction of ninety (90) units of affordable housing; seventy-one (71) revenue-generating units will be set aside for households with incomes at or below 60% of the AMI and eighteen (18) units will be set aside for households with income at or below 130% of AMI for Suffolk County. Mr. Garwood stated that the SONYMA portion of the project (SONYMA Mortgage Insurance Fund will provide insurance during the permanent loan period) is real exciting because it is part of the rebuilding effort as a result of Superstorm Sandy's impact on 25% of Long Island in the Hamlet of Copiague's housing stock (Village of Amityville/Copiague NY Rising Community Reconstruction Plan).

Mr. Garwood said that during the construction and lease-up period, Citibank, N.A. ("Citibank") will make a loan directly to the Agency, the proceeds of which the Agency will lend to the Borrower (Citibank Back-to-Back Loan Structure). He said the project's total development cost is estimated at approximately \$32,997,039, which is "right on target." He said of that, there are \$19 million in estimated maximum tax-exempt debt obligation and mortgage loan financing. Mr. Garwood stated that there is a \$750,000 Suffolk County Workforce Housing Infrastructure Loan. He also stated that there is a \$1.8 million Citibank Subordinate Loan.

Ms. Zucker noted that the project is a collaboration between Community Development Corporation of Long Island, Inc. and Conifer Realty, LLC.

Mr. Davidson requested that the reporting formula for job creation be provided in the year-end report, noting that one project on the day's agenda provides for 1,300 jobs and another 110 jobs, and it is unclear how the formula applies in both cases. Mr. Garwood reported that the formula is based on units and the Agencies are looking at three (3) different methodologies.

Mr. Davidson inquired how housing projects that are deemed for families result in more one-bedroom apartments (56) and less two-bedroom (33) apartments. Ms. Zucker explained that the breakdown in apartments is governed by zoning issues. She noted that the project site is located in the Downtown Copiague Zoning District, which was created to facilitate a vibrant transit-oriented downtown containing mix of housing types (e.g. accommodating a young workforce), retail, office and/or compatible uses that contribute

to a sense of community and is less than a quarter mile from the Copiague MTA Long Island Railroad station. She noted, however, that statistical data on family size and marketing studies, in general, are reviewed in order to determine the demand. Mr. Davidson noted that it would be helpful for Board members to be privy to this information, also, in the future.

Ms. Zucker noted that SONYMA Director, Ms. Rogatz' extensive involvement in affordable housing in Long Island is one of the factors that made this project possible.

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

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The next item on the agenda was a resolution recommending financing approval in an amount not to exceed \$9,100,000 for Joseph L. Allen Apartments, Schenectady County. Mr. Garwood noted this project is also part of the Storm Recovery effort and has an important community development aspect.

Mr. Garwood reported that this investment funds the new construction of fifty-one (51) units; all units will be affordable to households with income at or below 60% of the AMI for the Albany-Schenectady-Troy, NY HUD Metro Fair Market Rates ("FMR") Area, adjusted for family size. He said in addition, twenty-five (25) units will be set aside for single adults that suffer from psychiatric disabilities. He stated that the leverage of the project is "substantial" and includes an estimated \$4.2 million **Community Development Block Grant** Disaster Recovery loan.

Mr. Garwood reported that the project will be located on Albany Street and is in close proximity to State Street, a main thoroughfare with access to retail, banking, supermarkets, restaurants and municipal services. Additionally, there are three (3) parks located nearby. He stated that the building will include one (1) studio, forty-six (46) one bedrooms, and four (4) two bedroom units. He said the building will have a main lobby with a reception/security area, program staff offices, a laundry facility on all three floors with televisions and a piece of exercise equipment and other amenities. He said in addition, the project will be certified to Version 3.1 of the Energy Star Certified for Homes program, Enterprise Green Communities Criteria Program 2015, and NYSERDA Low Rise Residential New Construction program.

Mr. Garwood said the developer, DePaul, an affiliate of the DePaul Group, is a not-for-profit organization that has managed real property used primarily by affiliated organizations in the residential care and treatment of the mentally disabled since 1981.

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

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The next action item on the agenda was a resolution recommending financing approval in an amount not to exceed \$8,470,000 for Theodore Fremd Senior Apartments, Westchester County. Mr. Garwood commented that this project helps to achieve some important goals, i.e. it meets the Federal Fair Housing Court Settlement requiring Westchester County to provide funding for the construction of affordable housing in communities with low concentrations of minority residents.

Mr. Garwood reported that this “substantial” investment recommendation is for \$8.4 million; also, there is \$629,000 in estimated annual allocation of 4% “as of right” low-income housing tax credits (“LIHTCs”). He said management will seek approval of a \$3 million Homes for Working Families (“HWF”) subordinate loan. He noted that Westchester County owns the project site and will donate it to the project; the project site is appraised at \$2.3 million.

Mr. Garwood noted that the project funds the new construction of a four-story, 41-unit senior rental building known as Theodore Fremd Senior Apartments; eight (8) of the revenue-generating units will be set aside for households earning less than 50% of the AMI.

Mr. Garwood stated that the project consists of approximately 37,000 square feet of above-grade gross building area and has a community room, a laundry room on each floor, an on-site office for the superintendent, and substantial other amenities.

Mr. Garwood stated that the Housing Action Council are the developers; the site is currently vacant.

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

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The next item on the agenda was a resolution recommending financing approval in an amount not to exceed \$9,600,000 for Golden Parks Apartments, Sullivan County. Mr. Garwood noted that there is a tremendous demand for working families in this area. He commented that the next two projects are “really good examples of low-income rise housing.”

Mr. Garwood stated that this investment funds the acquisition and rehabilitation of 126 units of ML, multifamily affordable senior housing known as Golden Park Apartments. He

said of the income-generating units, 87% or 110 units, will be set aside for seniors and/or disabled tenants whose income is at or below 60% of the AMI.

He stated that the investment recommendation is \$9.6 million in maximum fixed rate tax exempt bonds and mortgage loan. Mr. Garwood noted that the investment recommendation includes approximately \$611,000 in tax credits. He said additionally, the project will benefit from project-based rental assistance (HUD's Rental Assistance Demonstration – Second Component – Prospective Conversion) and has a 30-year Payment in Lieu of Taxes Agreement.

Mr. Garwood pointed out that Golden Park Apartments complex was built in 1976 with funding from a UDC loan to provide housing for the low-income seniors under the Section 236 and ML programs. He said the property has 125 one-bedroom units and one 2-bedroom units housed in 10 buildings, plus a community building, for a total of approximately 80,000 square feet on a 10-acre lot, of which approximately 78,000 square feet is for housing. He noted that the project is conveniently located next door to a shopping center that includes a grocery store. Mr. Garwood said the purchase price is projected to be \$2.5 million and the total rehabilitation is substantial (asbestos abatement for all units) and includes new kitchens and bathrooms with low flow plumbing.

Mr. Garwood reported that the developer is Norwich Corporation and its principal is David A. Carlen who is involved in eleven (11) affordable housing developments totaling approximately 1,300 units in four (4) states: Massachusetts, New York, New Hampshire and Virginia. He said during the construction period, JPMorgan Chase Bank will provide the Letter of Credit

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

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The next item on the agenda was a resolution recommending financing approval in an amount not to exceed \$14,500,000 for Seven Greens Apartments, Ulster County. Ms. Zucker noted that this project is very similar and really shares many of the characteristics and goals of the prior project. Like Golden Park, the Seven Greens Apartments project is one where the goal is to make sure that the project remains affordable.

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 \$4,500,000 for SWIIRD, Wayne County. Mr. Garwood reported that staff seeks authorization to issue bonds for the acquisition and rehabilitation of four (4) buildings. He said the investment recommendation is \$4.5 million. Management will be seeking approval of \$1.2 million from the State of New York HWF program. He said the project will also benefit from an existing project-based Section 8 HAP contract for 94 units. He also said there is \$1.5 million in estimated State of New York Rural and Urban Community Investment Fund loan.

Mr. Garwood reported that the rehabilitation is substantial; during the construction period. Key Bank National will provide the letter of credit.

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

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The next action item on the agenda were resolutions authorizing financing approval in an amount not to exceed \$22,000,000 for Clinton Plaza, Onondaga County. Ms. Zucker noted that Mark Flescher, Vice President, Special Projects at New York State Housing Finance Agency, deserves credit for this project. She explained that the project is comprised of the acquisition and rehabilitation of 305 units of Mitchell-Lama, multifamily affordable housing known as Clinton Plaza Apartments; the residential apartments are in one 23-story high-rise building. She said the investment recommendation is \$22 million in maximum fixed-rate, tax-exempt bonds and mortgage loan and a \$5 million estimated subsidy loan.

Ms. Zucker noted later today, the Housing Trust Fund will consider granting \$2 million in estimated subsidy loan for HWF for this project. She also said there is an estimated \$675,000 subsidy expected from the City of Syracuse as demonstrated support for the project all of which is going toward the development costs of the project. Ms. Zucker said the Agency is also hoping to participate in the RAD program. She reported that the repairs include exterior replacements of windows and new interior designs which include new energy efficient appliances (new outlets and light fixtures). Social services will be provided onsite.

Ms. Zucker reported that the project is expected to be managed by Condren Realty Management Corporation, a real estate management company based in Syracuse, New York that has over 30 years of experience in managing residential and commercial properties throughout the Northeast (1,300 residential units under its management currently).

Mr. Davidson inquired about the relocation plan. Ms. Zucker explained that relocation plans are tentative. In response to a question, she confirmed that tax credit is taken into consideration when calculating acquisition costs.

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

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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 9:57 a.m.



Adam Schuman, Secretary