

**MINUTES OF THE 45th MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY'S
FINANCE AND PROGRAM COMMITTEE
HELD ON MAY 14, 2015 AT 9:12 A.M
AT ITS OFFICES AT 641 LEXINGTON AVENUE**

MEMBERS AND DESIGNEES

PRESENT

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

Mr. Kim 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. C. Jason Kim 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. Commissioner Towns 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 Davidson, Joyce Miller, Mr. Steven Weiss 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 44th HFA Finance and Program Committee held on April 9, 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 the authorizing of financing approval in an amount not-to-exceed \$276,300,000 for 222 East 44th Street Apartments, Manhattan, New York County. Ms. Zucker, President, Finance and Development provided the relevant background information with regard to this request. She noted that today's requests for authorization include projects in both upstate and downstate New York and Medicaid Redesign Team: Affordable Housing Work Group ("MRT") projects. Ms. Zucker reported that Management is seeking the Board's approval to finance a 40-story building with a total of 429 rental units. She said the development will also consist of approximately 2,316 square feet of ground floor retail.

Ms. Zucker reported that the bonds that are proposed to be issued will be issued on a floating rate basis. She reported that the key principals of BLDG Management Co., Inc. which include Dorian Goldman are new participants in Agency financing but experienced real estate owners and developers. She said BLDG is a private, multi-generational family real estate investment, development and operating company which owns and manages a portfolio in excess of 300 properties. She said BLDG is the proposed property manager for the project. Ms. Zucker said it is anticipated that Common Ground will act as the administering agent to lease up the affordable units. She said Noble Construction Group LLP is the general contractor and the architect for the project will be SLCE Architecture.

Ms. Zucker reported that total development costs for the project is estimated to be approximately \$332,000,000 of which the Agency expects to finance \$276,000,000 in bonds (estimated maximum construction and permanent period variable rate mortgage loan of \$251,200,000 consisting of \$63,500,000 of variable rate tax-exempt bonds and \$187,700,000 of variable rate taxable bonds).

HFA Vice-Chairman Weiss asked a series of questions aimed at better understanding the presentations for the financings before the Board. He noted that there was some commonality in terms of the deals (two are 80/20s and two are All Affordable) and wanted to get a better sense about how the tax-exempt bonds per unit and overall bond allocation are determined. Ms. Zucker explained that Management begins with a budget and builds upwards from there and is constrained by the amount of debt service on the bonds. She said that an analysis is also done that includes total development costs and other resources. Mr. Bret Garwood, Senior Vice President, Multifamily Housing, noted that the permanent side looks at cash flow. A discussion ensued as to the topic.

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 the authorization of financing approval in an amount not to exceed \$200,000,000 for 7 West 21st Street, Flatiron, Manhattan, New York County. Ms. Zucker reported that Management is seeking authorization to fund \$200 million in tax-exempt bonds. She said this financing will fund the development of two 18-story towers and is expected to be comprised of two condominium units. She said this financing will contain about \$35,000,000 of variable rate tax-exempt bonds and \$147,000,000 of variable rate taxable bonds.

Ms. Zucker explained that the bonds are expected to be sold on a private placement basis and the total development cost is estimated to be approximately \$283 million. She said the borrower for the transaction, William C. Friedland and Richard Chapman, have been active in the real estate market for over 50 years. She said Mr. Chapman is also the Founder of a New York-based, parking company. She said the architect for the development will be Stephen B. Jacobs Group, P.C.

Ms. Zucker reported that the development will incorporate a number of green elements. She said the windows will be provided with systems to introduce outside fresh air even when closed, for improved indoor air quality. She said, additionally, there will be use of energy efficient heating and cooling systems. Ms. Zucker then went on to explain the environmental review process. She stated that the Agency requires a Phase I Environmental Site Assessment Report which was prepared along with a Remedial Investigation Report. She said the Department of Buildings will be furnished with a Notice to Proceed from the New York City Office of Environmental Remediation ("NYC OER") which has also been issued. Ms. Zucker said at the completion of the remediation process, a Closure Report, documenting the remediation process will be submitted to the Agency and the NYC OER.

HFA Board Member, Ms. Miller noted that the green building features in this building exceeded what is typically seen and asked what was it about this project that permitted these enhanced features to be introduced." Ms. Zucker explained that it usually stems from the initiatives that the owner takes, so that the features vary among projects. She noted, in response to further questions from Ms. Miller, that development of a more standardized set of "green" requirements is something that staff will look to develop, keeping in mind that certain projects may not be able to include as complete a set of "green" initiatives as others, based on funding availability. Ms. Miller also noted that this project is a considerably smaller project, but the number of temporary jobs is substantially larger. She inquired about how the number of jobs is determined. Ms. Zucker explained that the number is a number that the borrower provides, which the Agency includes in its numbers. She added, in response to Ms. Miller's questions, that going forward the number ultimately used will be reviewed by staff and compared to the projected number.

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 the authorization of financing approval in an amount not to exceed \$30,690,000 for The Webster Avenue Supportive Residence, 411 East 178th Street, Bronx County. Mr. Garwood reported that Management is seeking the Board's approval to finance the new construction of 171 units of housing located in the Tremont Section of the Bronx. He said that this is one of the MRT project initiatives. He said ninety (90) units will be set aside for individuals who are formerly homeless with serious mental illness. He also said there is an award for \$10 million in OMH debt service and a \$9.7 million estimated HPD Supportive Housing loan.

The project's total development costs is approximately \$61,000,000. He said the fee owner, beneficial owner and general managing partner is controlled by Common Ground.

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 the authorization of financing approval in an amount not-to-exceed \$26,960,000 for St. Augustine Apartments, 1180 Fulton Avenue, Bronx County. Ms. Zucker said this investment funds the new construction of one hundred and twelve (112) units of housing; all of the 111 revenue-generating units are expected to be set aside for tenants with incomes at or below 60% of the Area Median Income ("AMI"). Ms. Zucker said thirty-five (35) units will be set aside for tenants with a serious mental illness. She said the project will benefit from \$2.75 million in estimated construction capital funding from the OMH. She said there is also a \$7 million loan from the City of New York Department of Housing Preservation and Development. Ms. Zucker said the project consists of the new construction of one 12-story apartment building and will have a total of 117,000 square feet of gross building floor area (35 studios, 19 one-bedroom units, 36 two-bedroom units, 21 three-bedroom units and one non-revenue two-bedroom apartment).

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 the authorization of financing approval in an amount not to exceed \$63,470,000 for 435 East 13th Street Apartments, Manhattan, New York County. Ms. Zucker reported that Management is seeking the Board's approval to finance the new construction of 114 residential apartments in one, 7-story, and one, 8-story, tower on East 13th Street between First Avenue and Avenue A.

Ms. Zucker said the project's total development cost is estimated to be approximately \$92 million (\$63,470,000 estimated maximum variable-rate, tax-exempt and taxable bonds; estimated maximum construction and permanent period variable-rate mortgage loan of \$57,700,000 consisting of \$17,900,000 of variable rate tax-exempt bonds and \$39,800,000 of variable rate taxable bonds). She said the borrower is controlled by the principals of Mack Real Estate Group and the principals of Benenson Capital Partners. Winthrop Management will be the property manager.

Ms. Zucker said that as far as green elements, in this instance, there is a rooftop terrace and Energy Star-rated appliances, among other things.

HFA Board designee for the Commissioner of Taxation and Finance, Mr. Curtis asked how management makes its selection of borrowers and Ms. Zucker stated that the borrowing entity comes to the Agency and presents a construction idea.

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 the authorization of financing approval in an amount not to exceed \$8,200,000 for DePaul Trolley Station Apartments, 2464 County Rod 28, Town of Canandaigua, Ontario County. Ms. Zucker reported that this is another MRT project. She reported that this investment funds the new construction of forty-eight (48) units of housing; twenty-six (26) will be set aside for single adults that suffer from psychiatric disabilities. She said the project site, which consists of six (6) acres of land, is located in Ontario County and is in close proximity to State Route 332; Route 332 provides plentiful access to retail, banking, supermarkets, restaurants and municipal services. She said the Agency officials are excited about the project's inclusiveness of supportive housing onsite, i.e. health care services.

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 authorization of financing approval in an amount not to exceed \$8,040,000 for Lake Ravine Apartments, located at 468, 480-486, 568-576, 580-588, 594-604, 597-601, 606-614 609 Lake Avenue, Monroe County. Ms. Zucker reported that this project will result in the preservation of 111 units of affordable housing in the City of Rochester, Monroe County. She said the project will benefit from an allocation of approximately \$791,000 in HFA subsidies. Ms. Zucker said the leverage on this project is substantial with \$2.3 million coming from Housing Trust Fund Home for Working Families Subsidy Loan, a \$950,000 City of Rochester Loan. She said all units currently benefit from a HUD Section 8 HAP contract. She said the buildings have eight (8) retail spaces that will be converted to a Community Service Facility space as well as a community room and classrooms for adult education for the residents.

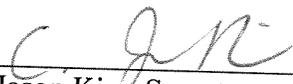
Ms. Zucker said the project's total development costs is estimated to be approximately \$13 million.

Vice-Chairman Weiss, addressing the amount of subsidy provided for this project, asked a general question about subsidy loan sources. Specifically, he inquired about the balance of the HFA subsidy fund and whether the Agency kept a detailed list of all of its funded projects. In response, Ms. Zucker stated that staff does keep such a list and offered to provide the list and the balance to Vice Chairman Weiss after the meeting.

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, Chairman Thompson 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; Commissioner Towns seconded the motion, and the meeting was adjourned at 10:15 a.m.



C. Jason Kim, Secretary