

**MINUTES OF THE 48th MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY'S
FINANCE AND PROGRAM COMMITTEE
HELD ON SEPTEMBER 10, 2015 AT 9:40 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, Ms. Joyce Miller Commissioner, Jerry Boone, NYS Taxation & Finance 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 47th HFA Finance and Program Committee held on Jul7 7, 2015. There being no objections or corrections from the Members, the minutes were deemed approved.

The next item on the agenda was a resolution recommendation financing approval in an amount not to exceed \$198,000,000 for 325 Kent Avenue, Brooklyn, Kings County. Ms. Zucker reported that the first development is the 325 Kent Avenue Apartments project. She stated that the financing structure is an estimated \$198,000,000 in maximum variable-rate, tax-exempt bonds and an estimated \$180,000,000 in a maximum construction and permanent period First Mortgage Loan.

Mr. Zucker, in response to a question from Mr. Davidson, summarized the use of volume cap and recycled bonds for this project.

Ms. Zucker also noted that the project, itself, is a 17-story luxury apartment building containing 104 affordable apartments. She said at least twenty percent (20%) of the revenue generating will be set aside for tenants with income at or below 60% of the Area Median Income ("AMI").

Ms. Zucker reported that the developer is Two Trees Management Company which will also serve as the managing agent and that the principal of Two Trees, David C. Walentas will be the managing member of the Borrower. She said the construction manager is 325 Kent Construction LLC.

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 \$80,000,000 for 15 Hudson Yards, 553 West 30th Street, Manhattan, New York County.

Chairman Thompson noted that a revised set of materials for this item was sent to all HFA Members prior to today's meeting and that those are the materials that will be considered at today's meeting.

Ms. Zucker stated that Management seeks authorization to issue bonds for the construction of 106 units of multifamily housing to be located in Manhattan which will be known as Hudson Yards. She explained that the affordable portion will be structured as a private placement with Citibank, N.A.

The project will consist of 106 newly constructed affordable units located on eight (8) floors (floors 12 – 19) of a 70-story mixed use tower. The Project will part of a larger development that will contain 285 for-sale condominiums and a large scale cultural center

(collectively, the "Development"). The Project, which is being financed under the Agency's Back to Back program with Citibank, will be 100% affordable to tenants with household incomes at or below 60% of AMI. Under the program, the Agency will issue an \$80 million Debt Obligation to Citibank, which will in turn provide funds for a first mortgage loan in a like amount to the Borrower. The remaining components of the Development will be partially financed with \$850 million in funds provided by a separate lender through a mortgage participation with the Agency, for a total mortgage loan amount of \$930 million.

Ms. Miller and Mr. Gregory H. Gushée, a representative from the Related Company engaged in a discussion concerning liability and responsibility issues arising from the use of two separate buildings. Mr. Gushée confirmed that the affordable building is separately financed and represents no risk.

Ms. Zucker noted that the development is developed by the Related Companies and the Construction Managers are Related Companies, as well.

Ms. Zucker said that the Borrower is pursuing a LEED Gold Certification and has agreed to partner up with the New York City Housing Authority's ("NYCHA") construction training program. Ms. Zucker mentioned that this new feature was suggested by Ms. Visnauskas, and will serve to train residents of NYCHA projects in the construction training program. Ms. Zucker said both NYCHA and Related will decide how many trainees can be brought to the site at one time and what particular skill is needed for a specific period of time. She noted that the Borrower is incurring the interest expenses.

Ms. Miller noted that in terms of the green aspects of the building, there is no mention of an innovative waste disposal system such as that used in Roosevelt Island. She asked if there were any other unique features. Ms. Zucker said that there will be a massive cogeneration plant and water infiltration systems. She said that Related is committed to being in the forefront of sustainability.

Ms. Miller asked if the affordable unit tenants will have access to all areas. It was noted that all tenants will share one lobby and that parking is open to everyone although there is a minimum amount of parking spaces. Ms. Miller asked if the income levels for the affordable building related to family size. Ms. Zucker explained that there is an adjustment based on family size.

Mr. Davidson suggested that, at the educational session for the Board Members, scheduled for Tuesday, October 13, that an item be placed on the agenda on how to assess the macro risk of projects such as this one.

Chairman Thompson thanked Ms. Zucker for the good work on this along with the Commissioner. It was noted that Ms. Visnauskas provided a quick resolution by including NYCHA residents and it was also noted that Related was positively responsive to the idea. Chairman Thompson noted the good, comprehensive work done on behalf of the team.

twenty-three (23) one-bedroom units, twenty-five (25) two-bedroom units and fourteen (14) three-bedroom units.

Mr. Garwood reported that supportive services will be provided by Services for the Underserved, that the developer is BronxPro and the Letter of Credit will be provided by JPMorgan Chase Bank, N.A. He noted that the project has substantial leverage which includes a \$1.7 million loan from Homes for Working Families.

Mr. Garwood said Management seeks approval to issue \$26.3 million in tax-exempt bonds. He noted that the developer was deemed eligible for a new subsidy program and applied for \$1.24 million for new program which is being provided by HFA. He also noted that although the demand for working families is high, there will be HUD Project-Based Section 8 vouchers for eight (8) units to be administered by the New York City Department of Housing Preservation and Development ("HPD").

Ms. Miller inquired about rents (\$193/month-above the shelter allowance) and Mr. Garwood responded that additional support will be provided by The New York State Office of Mental Health.

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 \$9,440,000 for Valley Vista Apartments, 118-122 West Seneca Turnpike, Syracuse, Onondaga County. Mr. Garwood reported that this investment funds the rehabilitation of 124 units of Mitchell-Lama affordable housing for seniors, as part of the Governor's House NY Program. Mr. Garwood noted that the project was built in 1974 under the New York State Mitchell-Lama Program and benefits from an Article II tax abatement. He said the project will also benefit from a HUD Project-Based Section 8 Voucher Contract.

Mr. Garwood said the scope of work focuses on interior repairs and improvements as well as energy efficiency undertakings.

Mr., Garwood said the Borrower will be controlled by Sutton Real Estate Company LLC and Bentham Foundation LLC. He said Senior Management is seeking approval of \$9.4 million of tax-exempt bonds.

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 \$7,000,000 for Owego Gardens Apartments, Village of Owego, Tioga County. Mr. Garwood noted that this next project would fund the new construction of a 62-unit, mixed-income senior rental building. He noted that this project represents an affordable housing opportunity for seniors in an area severely impacted by Tropical Storm Lee in 2011 and was previously authorized by the Governor's Office of Storm Recovery.

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 issuance of refunding bonds in the amount not to exceed \$6,000,000 to refund existing affordable housing revenue bonds issued for Kennedy Plaza Tower Apartments, City of Utica, Oneida County. Ms. Zucker reported that Management is proposing to refund the Bonds and this will be the first time outstanding bonds will be refunded for this 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.

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; Chairman Thompson seconded the motion, and the meeting was adjourned at 10:40 a.m.



Adam Schuman, Secretary