

**MINUTES OF THE 439TH MEMBERS MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY
HELD ON JULY 12 AT 8:30 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

William J. Mulrow	Chairman
Steven J. Weiss	Vice Chairman
Thomas H. Mattox	Commissioner, Department of Taxation and Finance Member
Elaine McCann	Division of the Budget, representing Robert Megna, Member (via video conference)
Royce A. Mulholland	Member
Darryl C. Towns	Member

Chairman William J. Mulrow, opened and chaired the the meetings. He noted that Elaine McCann and Aida Brewer were participating in the meetings by video conference from the New York State Division of Budget conference center at the Capital Building, Room 143, in Albany. A public notice was given of the time and locations of both venues.

Naomi Bayer, Anthony Bergamo, Don Lebowitz and Marge Rogatz, all Directors of State of New York Mortgage Agency ("SONYMA"), attended the meeting as guests.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary and stated that Joseph R. Palozzola, an attorney in the Legal Department of the Agencies and the Agencies' Intergovernmental Representative, would assist him at today's meetings.

Mr. Palozzola asked for motions and seconds to call the meetings to order of the New York State Housing Finance Agency ("HFA"), State of New York Mortgage Agency ("SONYMA") and New York State Affordable Housing Corporation ("AHC"). Mr. Mulholland made a motion to call the HFA meeting to order; Vice Chairperson Weiss seconded the motion. Mr. Mulholland made a motion to call the AHC meeting to order; Vice Chairperson Weiss seconded the motion. Ms. Rogatz made a motion to call the SONYMA meeting to order; Vice Chairperson Bayer seconded the motion.

Mr. Palozzola stated that as items are presented to each Board throughout the meetings, these motions and seconds will be used, unless specific items call for a different vote, or unless any Board member wishes to record his or her vote differently. The meetings of the Affiliated Agencies were opened in joint session for the President's report, the recital

of Committee reports, the adoption of the minutes of previous meetings, and consideration of various matters of shared importance. These minutes reflect only those items being considered by the Members of the New York State Housing Finance Agency. A record of items considered by the other Agencies is contained in the minutes of each Agency respectively.

The first item on the agenda was the President's Report. Chairman Mulrow requested that Darryl C. Towns, President and CEO of the Agencies, present his report. Mr. Towns reported that the Agencies would grade Consolidated Funding Applications over the next eight weeks in order to make determinations about projects coming in from the respective regional councils. He next stated that the Agencies would explore an overall plan involving extensions in the Mitchell-Lama portfolio in order to preserve existing affordable housing. He next suggested that educational, development and networking opportunities for Agencies' Directors and Members should be explored in regard to the upcoming National Conference of State Housing Boards (NCSHB) Educational & Development Workshop in Salt Lake City, Utah.

Chairman Mulrow noted that there may be a SONMYA Board meeting held on August 16, if necessary.

Chairman Mulrow thanked Mr. Towns, and next requested that Mr. Palozzola recite the report of the Mortgage Insurance Committee.

The next item on the agenda was the adoption of the minutes of the 438th HFA Members meetings held on June 14, 2012. Absent comments or corrections from the Members, Mr. Valella reported that the minutes were deemed approved.

The next item on the agenda was a resolution appointing Sheila Robinson as Senior Vice President and Chief Financial Officer of the Agencies. President Darryl C. Towns highlighted certain information contained in the materials provided in connection with this item which materials are incorporated herein by reference. He noted that Sheila Robinson's professional background included employment with Empire State Development Corporation and with various ratings agencies.

Chairman Mulrow welcomed Ms. Robinson to the Agencies.

Mr. Mulholland moved to adopt the resolution; Vice Chairperson Weiss seconded the motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION,

AND STATE OF NEW YORK MORTGAGE AGENCY APPOINTING SHEILA ROBINSON AS SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER.

The next items on the agenda were resolutions authorizing financing in an amount not to exceed \$32,380,000 for Jackson Avenue Apartments located at 26-14 Jackson Avenue, Long Island City, Queens County. David Simmons, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. He stated that this new 80/20 construction project has 98 rental units and approximately 5,000 square feet of retail space. He stated that 20 units will be set aside for households with incomes at or below 50% of the Area Median Income ("AMI") for New York City, and 4 units will be rented to households with incomes at or below 40% of the AMI. He stated that Citibank N.A. will purchase the bonds for a ten-year term based on a variable interest rate during 2.5 years of construction, and a fixed interest rate during the remaining permanent mortgage loan phase.

Mr. Mulholland moved to adopt the resolution; Vice Chairperson Weiss seconded the motion, and the following resolutions were unanimously adopted:

A RESOLUTION AUTHORIZING THE ISSUANCE OF JACKSON AVENUE APARTMENT HOUSING REVENUE BONDS;

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF \$32,380,000 JACKSON AVENUE APARTMENTS HOUSING REVENUE BONDS, 2012 SERIES A (TAX-EXEMPT);

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF \$32,380,000 JACKSON AVENUE APARTMENTS HOUSING REVENUE BONDS, 2012 SERIES B (TAXABLE);

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF \$32,380,000 JACKSON AVENUE APARTMENTS HOUSING REVENUE BONDS, 2014 SERIES A (TAXABLE)

AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN MATTERS IN CONNECTION WITH THE FINANCING OF THE PROJECT KNOWN AS JACKSON AVENUE APARTMENTS.

The next items on the agenda were resolutions authorizing financing in an amount not to exceed \$21,000,000 for 11th Street Apartments located at 46-09 11th Street, Long Island City, Queens County. David Simmons, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. He stated that this new 80/20 construction project has 59 rental units, and that 12 units will be set aside for households with incomes at or below 50% of the AMI for New York City, and 2 units will be rented to households with incomes at or below 40% of the AMI. He stated that Citibank N.A. will purchase the bonds for a ten-year term based on a variable interest rate during 2 1/4 years of construction, and a fixed interest rate during the remaining permanent mortgage loan phase.

Marian A. Zucker, President, Office of Finance & Development, stated that, with regard to taxable and non-taxable bonds, the Agency would henceforth handle its 80/20 projects, including this one and the previously discussed Jackson Avenue Apartments, somewhat differently, in order to not put its tax-exempt bonds resource at risk. She stated that instead of fully-funding requests from developers and lenders, the Agency would scrutinize bank term sheets, and lend amounts only up to the amounts of the real estate exposure that banks would be willing to lend to projects on a tax-exempt basis. She added that if there was any difference, the Agency could layer in taxable bonds which it does not have a limit on, rather than over-allocate tax-exempt bonds for which volume is used.

Mr. Mulholland moved to adopt the resolution; Vice Chairperson Weiss seconded the motion, and the following resolutions were unanimously adopted:

A RESOLUTION AUTHORIZING THE ISSUANCE OF 11TH STREET APARTMENTS HOUSING REVENUE BONDS;

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF \$21,000,000 11TH STREET APARTMENTS HOUSING REVENUE BONDS, 2012 SERIES A (TAX-EXEMPT);

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF \$21,000,000 11TH STREET APARTMENTS HOUSING REVENUE BONDS, 2012 SERIES B (TAXABLE);

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF \$21,000,000 11TH STREET APARTMENTS HOUSING REVENUE BONDS, 2014 SERIES A (TAXABLE);

AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN

**MATTERS IN CONNECTION WITH THE FINANCING OF THE PROJECT
KNOWN AS 11TH STREET APARTMENTS.**

The next items on the agenda were resolutions authorizing financing in an amount not to exceed \$27,000,000 for Willoughby Court Apartments located at 109 Marcus Garvey Boulevard, 721 Willoughby Avenue and 300 Vernon Avenue, Brooklyn, Kings County. Richard Brown, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. He stated that this acquisition and rehabilitation project has 5 occupied commercial spaces and 267 rental units; and that 245 units will be set aside for households with incomes at or below 60% of the AMI for New York City, with one unit set aside for the superintendant. He added that all units are covered by a renewable HUD Housing Assistance Payment (HAP) contract, and that this would be a Fannie-Mae insured project from day-one of the construction closing. He stated that the project was originally constructed in 1976 under the Mitchell-Lama Program and would help to preserve Mitchell-Lama housing for New York City. Mr. Brown stated that Empire State Development Corporation holds the mortgage on the property which is being acquired by the Borrower in an arms-length transaction from an unrelated entity for \$18,850,000.

Mr. Mulholland moved to adopt the resolution; Vice Chairperson Weiss seconded the motion, and the following resolutions were unanimously adopted:

**AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING
FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN
MATTERS IN CONNECTION WITH THE FINANCING OF THE PROJECT
KNOWN AS WILLOUGHBY COURT APARTMENTS;**

**A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE
HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF
AFFORDABLE HOUSING REVENUE BONDS, 2012 SERIES _ IN A
PRINCIPAL AMOUNT NOT EXCEEDING \$27,000,000.**

The next items on the agenda were resolutions authorizing financing in an amount not to exceed \$20,900,000 for Greater Hempstead Apartments located at 239, 255 South Franklin Avenue and 18, 20, 33 and 37 Linden Avenue, Village of Hempstead, Nassau County. Leonard Gruenfeld, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the materials provided to the Members in connection with this item, which materials are incorporated herein by reference. He stated that this new construction project is located on a 2.2 acre site, and that 99 of the 100 units will be set aside for households with incomes at or below 60% of the AMI for Nassau County, with one unit set aside for an employee. He added that the project includes 6,000 square feet of retail space which will be leased by non-profit service providers. Mr.

Gruenfeld stated that the project's total construction cost will be approximately \$21.5 million, or \$215,000 per unit, and the total development cost will be approximately \$33.5 million. He noted that the Agency's background check found several open New York State tax liens against the architect, and that the Agency planned to coordinate with NYS Department of Taxation and Finance to insure that the liens are fully paid, by or before the construction closing.

Vice Chairman Weiss recused himself from voting on this project.

Mr. Mulholland moved to adopt the resolution; Ms. McCann seconded the motion, and the following resolutions were adopted:

AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN MATTERS IN CONNECTION WITH THE FINANCING OF THE PROJECT KNOWN AS GREATER HEMPSTEAD APARTMENTS;

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2012 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$20,900,000.

The next item on the agenda was an information item regarding the geographic diversity of HFA projects. Ms. Zucker stated that information was presented at a recent Board Educational Retreat about expanding the statewide reach and geographic diversity of Agency financings. She stated that influences upon Agency involvement in proposed Upstate bond financings include whether a project's size can support the inherent expenses, adding that this situation has been improved by the formation of open bond resolutions which pool together different projects, result in better interest rates and lower expenses. She stated that, at minimum, projects must have 50 units and be at \$5 million in order for them to use bond financing. Using Rochester as an example, which has collaborated and partnered with the Agency on different projects, Ms. Zucker stated that Rochester has taken an active roll in comprehensive planning toward what its city should look like, along with the involvement of a sophisticated group of non-profit and for-profit developers.

Mr. Mattox asked whether Upstate cities which were willing to put money into a deal themselves, or create an alternate financing mechanism, rely on bonds for smaller projects. Ms. Zucker replied that she had not seen many smaller projects and was not certain if smaller projects were being built; however, smaller projects may have been financed with 5% tax credits, because 9% tax credits generated a much larger subsidy. She added that the Agency has been involved in many preservation deals. Gail Bressler, Vice President of Multi-Family Finance, stated that a typical smaller project had 32 units; however, sophisticated developers who, for example, combined nine smaller projects in four different counties, are the types of deals that made sense for the Agency to do and which were also liked by syndicators.

President Towns inquired about the 52 developments in the Mitchell-Lama portfolio which are in varying degrees of disrepair. Ms. Zucker stated that the projects were scattered around New York State, and that this year's pipeline indicated that the Agency expected to finance approximately 21 projects.

Mr. Mattox suggested that the Agency be a proactive outreach catalyst and create a "template", based upon its successful financings with Rochester, which could be taken to other State municipalities to implement as a helpful guide. Chairman Mulrow concurred that it would be incumbent upon the Agency to put together such a template and educate other Upstate urban areas about how the Agency can help them in the financing process, and how they can also help themselves. Mr. Mattox stated that Binghamton was such a city, and President Towns agreed, adding that the area was recovering from recent storms. President Towns noted that it was interesting that current development activity in Western New York was being done by Rochester-based organizations; however, the local inhabitants of Upstate towns need to commit to developing home-based teams. Ms. Zucker stated that the Agency would seek direction from the Members for which appropriate principals at Upstate municipalities to begin building relationships with.

Noting his concern about Agency responsiveness to the Army's needs for new housing, Mr. Mulholland asked if there had been further discussions on whether troops had returned to the Watertown area, and whether the Army desired to create new housing. Ms. Zucker confirmed that there have been projects financed "on the 9 percent tax credits side, not the HFA side."

Chairman Mulrow stated that the Agency is part of a larger state government that has relationships with other municipalities, so there should not be any problem accessing the right people and talking to them to encourage development across all of New York State.

Chairman Mulrow asked for a motion and a second to adjourn the HFA meeting. There being no unfinished business, Mr. Mulholland moved to adjourn; Vice Chairperson Weiss seconded the motion, and the meeting was adjourned at 9:50 A.M.



Alejandro J. Valella, Acting Secretary