

**MINUTES OF THE
451st MEMBERS MEETING OF
THE NEW YORK STATE HOUSING FINANCE AGENCY
HELD ON OCTOBER 10, 2013 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
Nestor M. Davidson	Member
Thomas H. Mattox	Member
Joyce L. Miller	Member
Elaine McCann	New York State Division of the Budget, representing Robert Megna, Member (via video conference)
Darryl C. Towns	Member

Chairman William J. Mulrow presided over the meeting.

Mr. C. Jason Kim, Senior Vice President and Counsel to the Agencies, acted as Secretary. He noted that Ms. Elaine McCann from the New York State Division of the Budget representing Mr. Robert Megna, Budget Director, was participating in the meeting via video conference from the NYS Division of Budget conference center at the Capitol Building, Room 131, in Albany, NY. A public notice was given of the time and location of this venue in accordance with the New York State Open Meeting Law.

Mr. Kim asked for motions and seconds to call to order the Members and Directors meetings of the State of New York Mortgage Agency ("SONYMA") and the Housing Finance Agency ("HFA"). Mr. Bergamo moved to call the SONYMA meeting to order; Mr. Lebowitz seconded the motion. Mr. Weiss moved to call the HFA meeting to order, Commissioner Mattox seconded the motion.

Mr. Kim stated that as items were presented to each Board throughout the meetings, these motions and seconds would be used, unless specific items called for a different vote, or unless any Board member wished 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 the 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 of the Agencies.

Chairman Mulrow welcomed everyone present; he gave a special welcome to former New York State Senator Manfred Ohrenstein.

The first item on the agenda was the President's Report. Chairman Mulrow requested that Darryl C. Towns, President/CEO of the Agencies, present his report. Commissioner Towns reported that as the fourth quarter begins, even in the face of government shut-down, work at the Agencies continues at a rapid rate. He reported that while the Agencies' partner, the United States Department of Housing & Urban Development, remains idle, Freddie Mac and Fannie Mae continue to do business.

Commissioner Towns announced that the Agencies expect to close twenty (20) or more deals in the remaining ten (10) weeks of the year. He noted that during the HFA meeting, the Board will be asked to consider six (6) items, including two financings in Brooklyn totaling over \$100 Million in bonds, two (2) financings in Manhattan totaling over \$250 Million and deals in the Bronx and Cayuga counties totaling \$80 Million Dollars in bonds. Additionally, Commissioner Towns noted that at SONYMA, the Mortgage Insurance Committee approved insurance for five projects located in Bronx, Kings, Dutchess and Cayuga counties. He noted that these five (5) projects will create and preserve 770 affordable units keeping up with the Governor Andrew M. Cuomo's mandate for housing.

Commissioner Towns reported that on the single family side, September loan reservations were at \$26 Million representing a total of 155 applicants; year-to-date reservations are at \$330 Million representing a total of 1,816 applicants. He said that September purchases were at \$31 Million representing 175 homebuyers, year-to-date purchases are at \$215 Million representing 1,176 homebuyers thus far this year. He noted said that delinquencies at SONYMA as of August 31, 2013 were at 4.28% and compare favorably to New York State's rate of 10.31% and to the national delinquency rate of 6.97%.

Commissioner Towns noted that, on today's agenda, the Board will also be asked to consider a resolution approving additions to the Agencies' Underwriting Panel, and will have an opportunity to get a more detailed look at the HFA project pipeline.

Commissioner Towns reported that numerous staff participated, last week, in Governor Cuomo's statewide MWBE Forum in Albany, NY. He said that Ms. Wanda Graham, Vice President and Director of the Office of Fair Housing & Equal Opportunity, and her staff, deserve special recognition. Commissioner Towns highlighted the fact that for the first time, utilization of minority and women-owned business, here in the State has exceeded the Governor's goal of 20%

and now stands at a record 21.06% with New York State Division of Homes & Community Renewal leading the way.

Commissioner Towns announced that on October 2, 2013, the SONYMA Advisory Council met. He stated that the Council consists of representatives from SONYMA, lenders, mortgage insurers, the New York State Association of Realtors and many other not-for-profit partners. He also noted that the Council's purpose is to provide input and make recommendations to assist SONYMA in maximizing its role as a key provider of affordable and sustainable home ownership opportunities to low and moderate income first-time home buyers across the State of New York.

Commissioner Towns also announced that on Saturday, October 12, 2013, SONYMA will sponsor a *Welcome Home New York* in Brooklyn at the New Hope Academy Charter School. During this time, SONYMA community leaders, mortgage and real estate professionals will present workshops about SONYMA's current home ownership programs as well as other topics of interest to first-time homeowners.

Lastly, Commissioner Towns reported that staff will also attend a number of upcoming conventions, i.e. National Council of State Housing Agencies. He also reported that the Agencies continue to work with the Governor's Regional Economic Councils in preparing for the upcoming 2014 Legislative Session as well as the Governor's State-of-the-State Address. As always, he reported, "things are busy here and we will continue to forge through."

Chairman Mulrow confirmed that there will, in fact, be twenty (20) transactions between now and the end of the year.

The next item on the agenda was the adoption of the minutes of the 450th HFA Members meeting held on September 12, 2013. Absent comments or corrections from the Members, Mr. Kim reported that the minutes were deemed approved.

The next item on the agenda was a resolution authorizing the approval of additions to co-manager Underwriter's Panel. Ms. Marian Zucker, President, Finance and Development reported that the agency conducted a Request for Proposal for underwriter services back in 2012. She reported that as part of that process, the Agencies reserved the right to review the composition of the panel and make adjustments on an annual basis. She said that as a result of this review, Agency staff is seeking approval to promote Academy Securities and Drexel Hamilton, LLC -- two firms currently serving as selling group members-- to the co-manager panel. Ms. Zucker explained that these two firms are unique in that they are primarily owned, managed, and operated by disabled veterans. Both firms, she noted, play a very special role in providing job opportunities for disabled veterans and giving them career paths on Wall Street. She stated that this approval will ensure that the Agencies maintain as broad a distribution as possible for its bonds and also afford the firms more opportunities to participate in financings going forward. It was noted that the Agencies encourage the hiring and housing of veterans and both firms have long-term, municipal professionals that continue to add value to the work of the Agencies.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING A CHANGE TO THE UNDERWRITER'S PANEL

The next item on the agenda was a resolution authorizing financing approval in an amount not-to-exceed \$196,350,000 for 855 Sixth Avenue Apartments, City of New York, New York County. Ms. Marian Zucker, President, Finance and Development, presented Mr. Leonard Gruenfeld, Project Manager. Mr. Gruenfeld reported that the project will consist of two (2) units in a four-unit condominium. He stated that the four units will consist of the following: two residential condominium units containing 375 rental 80/20 units located on the 8th through the 41st floors; the agency will finance the two (2) residential units. Vice Chairman Weiss inquired about the project description -- two residential condominiums. Ms. Zucker explained that the condominiums are not physically separated but is a separately-held structure for legal purposes.

Mr. Gruenfeld provided further background information noting that the sponsor of the project is Durst and Sidney Fetner Associates. He stated that twenty percent (20%) of the revenue generating units, or seventy-five (75) units, will be set aside for tenants within incomes at or below 50% of the Area Median Income ("AMI") for the New York HUD Metro Fair Market Rents ("NY HUD Metro FMR") Area adjusted for family size.

Mr. Gruenfeld noted that at least 15% of the affordable units, or 12 units, will be set aside for tenants with incomes at or below 40% of AMI. He stated that the residential tower being financed by the agency will have amenities for use by the residents that will include a fitness center, a children's playroom, community rooms, lounges and an outdoor terrace. Ms. Miller asked about the charge for some amenities; Mr. Gruenfeld said that any charges would mainly be for the fitness center. The presence of the developers were acknowledged; Mr. Hal Fetner of Durst Fetner LLC, stated that no prices have been set for the health club, however, the cost will be at a discounted rate.

Mr. Gruenfeld stated that there will be a condominium unit containing retail space on three (3) levels with approximately 81,000 square feet on the lower floors and right above that floor, a condominium unit containing 116,000 square feet of office space. Additionally, he reported, the retail and office condominium units, located from the sub-cellar and up and including the seventh floor, containing approximately 197,000 square feet, will be financed through a construction loan from Wells Fargo, National Association ("Wells Fargo") in the amount of \$73 Million which will be funded with bond proceeds, and Wells Fargo will have a participating interest in the agency mortgage.

Mr. Gruenfeld noted that the bonds are only being issued for the residential portion of the project with an estimated maximum construction and permanent period variable rate mortgage loan of \$187,000,000 consisting of \$187,000,000 of variable rate tax-exempt bonds; total development costs are approximately \$284 Million Dollars. Vice Chairman Weiss asked about the amount of volume cap on the tax-exempt bonds. Ms. Zucker explained that conversations have

begun on various ways to fund 80/20 units and agency heads have been exploring what it can do to limit the amount of cap that is spent on projects like this. Vice Chairman Weiss asked about the interest rate risk. Mr. Gruenfeld said that there are no protections built into this project.

Mr. Gruenfeld reported that the project meets the agency's "green" requirements. Ms. Miller noted that this is "a highly reputable developer known for their green building technology" and asked if the affordable units will be comparable to the market rate units in terms of amenities and finishes. Mr. Gruenfeld stated that the rates and amenities will be comparable and there will be no separate entrances, etc.

Mr. Gruenfeld also reported that tax credit proceeds are expected in the amount of \$11,846,250 with Wells Fargo providing a letter of credit. Additionally, he noted, there is expected to be \$82.2 Million Dollars of borrower equity, a portion of which will include a subordinated mezzanine loan to the borrower through the EB-5 visa program (United States Citizenship and Immigration Services' EB-5 Immigrant Investor Pilot Program); projected interim income is \$3.3 Million Dollars. He stated that the project will benefit from a New York City 421-a partial real estate tax abatement, which will exempt the property from real estate taxes on the value of its improvements for twenty (20) years.

In response to questions in terms of affordability, Mr. Gruenfeld reported that affordable units will be affordable for the life of the project in accordance with HUD's inclusionary housing program.

Ms. Zucker then proceeded to provide background information on the EB-5 Immigrant Investor Pilot Program. She noted that although the agency has financed many projects with mezzanine debt, this is the first time the agency is utilizing this federal program. She reported that the program provides U.S. Visas to foreign investors who finance projects in the United States. She noted the difference in an EB-5 investment pool versus a normal mezzanine lender; it is usually a group of specialized investors rather than a sole investor.

When asked about the overall State or public purpose, Ms. Zucker noted the creation of 75 units of affordable housing plus whatever jobs are created and the cost to the State is considered .

Ms. Miller noted that a Public Hearing was held and asked if there was anyone in attendance. It was confirmed that no one attended the Public Hearing.

Commissioner Mattox expressed the need to garner potential interest in other areas of the State noting that the next cycle of Regional Economic Development Council meetings was about to commence in Western New York.

It was also noted that the owner of the property is an affiliate of the borrower. Vice Chairman Weiss asked what the process was for evaluating the land costs. It was explained that the land costs are representative of actual costs for the residential portion of the land; the purchase price was substantial and the appraisal is probably higher.

Considering the first and second motions previously entered, the motions were carried, and the

following resolutions were adopted unanimously:

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 855 SIXTH AVENUE APARTMENTS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 855 SIXTH AVENUE HOUSING REVENUE BONDS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 855 SIXTH AVENUE HOUSING REVENUE BONDS, 2013 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$196,350,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 855 SIXTH AVENUE HOUSING REVENUE BONDS, 2013 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$196,350,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 855 SIXTH AVENUE HOUSING REVENUE BONDS, 2014 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$196,350,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 855 SIXTH AVENUE HOUSING REVENUE BONDS, 2014 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$196,350,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 855 SIXTH AVENUE HOUSING REVENUE BONDS, 2015 SERIES A IN A PRINCIPAL AMOUNT NOT EXCEEDING \$196,350,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 855 SIXTH AVENUE HOUSING REVENUE BONDS, 2015 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$196,350,000.

The next item on the agenda were resolutions authorizing financing approval in an amount not-to-exceed \$88,000,000 for the financing for 149 Kent Avenue, Williamsburg, Kings County. Prior to presenting Gail Bressler, Vice President, MultiFamily Finance, Ms. Zucker noted that the financing for 149 Kent Avenue represents another 80/20 unit project located

in Williamsburg in Brooklyn, NY. Regarding prior questions of environmental issues in connection with the site, she reported that there was an environmental assessment of the whole area.

Ms. Bressler reported that this investment funds the new construction of 164 multifamily rental units in a mixed-use building. She reported that the agency expects that the bonds issued will be tax-exempt; the taxable bonds issued under the agency's 80/20 unit Private Placement Program are sponsored by Ronald Moelis, Sanford Lowenthal and Alan Kenick and Jeffrey Henick.

Ms. Bressler reported twenty percent (20%) of the revenue-generating units, or thirty-three (33) units, are expected to be set aside for households whose incomes are at or below 50% of the AMI for the NY HUD Metro FMR Area adjusted for family size. In addition, she reported, at least five (5) of the units will be set aside for households whose incomes are at or below 40% of the AMI. She further reported that amenities include 130 parking spaces, storage and retail space. Also, a fitness center and recreational room. She said that additionally, there will be an outdoor roof deck. Ms. Bressler also reported that the project will incorporate "green" elements including high efficiency exterior cavity wall insulation and a modulating boiler to reduce gas usage.

Ms. Bressler noted that this is an inclusionary project wherein affordable units will be affordable in perpetuity. She also noted that the project is expected to cost about \$90 Million. Additionally, she noted, this project will be a private placement with Bank of America, N.A. ("BOA") purchasing the bonds for an eighteen-year term; BOA anticipates that the project will receive a credit facility from Freddie Mac at conversion.

Ms. Miller inquired about the use of taxable and non-taxable bonds. Ms. Zucker explained that the agency looks at the amount of real estate exposure the bank is willing to take on; sometimes banks are willing to lend an additional amount but that amount may not be able to be supported for permanent conversion. She said that rather than lend all of the money on a tax-exempt basis, if the project could not support the debt, the funds can be paid down on the bonds.

Vice Chairman Weiss noted that in this case, there is \$73 Million Dollars out of \$98 Million in total project costs. He asked how the agency arrives at the amount of tax-exempt bonds. Ms. Zucker explained it goes back to the rationale of how 80/20 units are being funded utilizing recycling bonds as a tool. After a lengthy discussion on the funding process and its complexities, it was agreed that a tutorial on "recycling of bonds" would be made available to the Board at a future date along with an update on the location of projects, strategy, allocations of bond cap, etc.

Mr. Davidson noted that it is hard to get a sense of impact at the county level in terms of locations and gentrification. He inquired about the process in terms of demographics and impact and asked for an explanation about the remediation process. Ms. Zucker explained that when it comes to neighborhood 80/20 units, the agency has had an open window funding process wherein individuals and entities come to the agency for financing and there is no competitive process. He asked if the agency ever runs out of bond cap. The response was "no," however, there is a priority at the agency to fund the 80/20 projects.

Ms. Miller asked what happens when the allocation of volume cap is not utilized. Ms. Zucker explained that there is a recapture of unused volume cap. For instance, she explained, any volume cap that remains unused in 2013 is then allocated by February of 2014 in a carry forward allocation to the various agencies that request it.

As for questions about remediation work. Ms. Zucker explained that remediation is expected to be completed largely within four (4) months within the start of construction, however, a Certificate of Completion will not be issued until 2015. She provided background information on the site by stating that the site was formerly a rail transferring station. She said that as a result, it has pockets of dry cleaning solvent in two corners of the site and a small area with heavy metals and another small area with polycyclic aromatic hydrocarbons (PAHs) which are components of fossil fuels associated with oil spills which will be treated with injections to mitigate the damage. She reported that all of the remedial work will be done by the New York State Department of Environmental Conservation Brownfield Cleanup program. She said that there are no indemnification issues as the agency does not own the site and that BOA is taking the credit risk and will satisfy the mortgage. Ms. Zucker reported that HFA, acting as lead agency, pursuant to the State Environmental Quality Review Act has determined that the proposed approval action will not have a significant adverse effect on the environment. She said that as a result, staff recommends that the Members authorize and issue a Negative Declaration and Determination of No significance.

There being no further questions or comments, considering the first and second motions previously entered, the motions were carried, and the following resolutions were adopted unanimously:

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 149 KENT AVENUE APARTMENTS PROJECT

A RESOLUTION AUTHORIZING THE ISSUANCE OF 149 KENT AVENUE APARTMENTS HOUSING REVENUE BONDS

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 149 KENT AVENUE APARTMENTS HOUSING REVENUE BONDS, 2013 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$88,000,000

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 149 KENT AVENUE APARTMENTS HOUSING REVENUE BONDS, 2013 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$88,000,000

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 149 KENT AVENUE

APARTMENTS HOUSING REVENUE BONDS, 2014 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$88,000,000

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 149 KENT AVENUE APARTMENTS HOUSING REVENUE BONDS, 2014 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$88,000,000

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 149 KENT AVENUE APARTMENTS HOUSING REVENUE BONDS, 2015 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$88,000,000

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 149 KENT AVENUE APARTMENTS HOUSING REVENUE BONDS, 2015 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$88,000,000

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 149 KENT AVENUE APARTMENTS HOUSING REVENUE BONDS, 2016 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$88,000,000

The next item on the agenda were resolutions authorizing financing approval in an amount not-to-exceed \$30,000,000 for CCBQ Communities located at 683 Dean Street, 800-826 Madison Street and 147 Graham Avenue, Kings County. Ms. Bressler stated that the three (3) sites are located in various Brooklyn neighborhoods and owned by Catholic Charities Brooklyn and Queens (“CCBQ”) Communities, a joint venture. Ms. Bressler reported that this is the preservation of 154 units and the creation of 82 new units. She stated that one of the projects, St. Joseph’s, in Prospect Heights will undergo a gut rehabilitation of fifty-four (54) Single Room Occupancy (“SRO”) units into sixty (60) studio apartments. She said that the scope of work will include among other things, a new plumbing system with boiler conversion from oil to gas; that the project meets New York City Department of Housing and Preservation Development’s (“HPD”) Enterprise Green Communities Program. She said that the original buildings comprising Good Counsel is a four-story rehab of seventy-six (76) apartments and the new construction of twenty-two (22) studios in the abandoned auditorium building located at 800 Madison Street and a three-story building located at 825 Madison Street in Bedford Stuyvesant. Ms. Bressler said that it will receive new Low Emissivity (“Low-E”) windows. She said that Trinity located at 157 Graham Avenue, East Williamsburg is a five-story elevator building which was originally built in 1887 as a convent, converted to SRO residential use in 1985, and converted again to seventy-five

(75) studio apartments. She said that the scope of work will include some moderate work including a roof replacement. She said that the total cost per unit is \$76,000 and will receive a host of energy-efficient items.

Ms. Bressler reported that POP Management, an affiliate to POB Development, will manage the property. She said that during the construction period, Wells Fargo, will provide a letter of credit with State of New York Mortgage Agency insuring the permanent loan. Richman Housing Resources LLC, the syndicator, is expected to acquire the property at a price of \$1.04 per tax credit.

Ms. Bressler addressed questions that surfaced regarding the rehabilitation period. She said that there is a relocation plan and that most of the residents that are expected to be moved are from St. Joseph's which has fifty-four (54) units. She said that these residents, will be relocated to other properties that CCBQ owns in Brooklyn, NY; CCBQ will absorb the costs associated with the move.

Ms. Bressler reported that presently HPD holds the note on this property and that the note will be subordinate to the agency's loan. She also noted that the legal structure is much simpler than what has been outlined in the Board memorandum.

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

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 CCBQ COMMUNITIES PROJECT

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2013 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$30,000,000.

The next item on the agenda were resolutions authorizing financing approval in an amount not-to-exceed \$17,000,000 for Burnside Walton Apartments, located at 2247 Walton Avenue and 280 East Burnside Avenue, Bronx County. Ms. Bressler reported that this investment funds the site acquisition and new construction of one thirteen-story and one eleven-story building with a combined total of ninety (90) units. She said that all of the project's eighty-eight (88) revenue generating units will be set aside for households whose incomes are at or below 60% of the AMI for NY HUD Metro FMR Area, adjusted for family size. Ms. Bressler stated that thirty-three (33) units will be set aside for chronically homeless, single adults, suffering from a serious and persistent mental illness with incomes at or below 60% of the AMI for New York. She said that the New York State Office of Mental Health ("OMH") will provide funding for social services for the tenants with psychiatric disabilities. Ms. Bressler said that it is the fifth project to use the New York State Medicaid Redesign Team ("MRT") cap funding to employ housing as a

strategy for reducing health care costs (the MRT was established by Governor Andrew M. Cuomo to create efficiencies in the state's Medicaid program) and helping to fill the gap with financing. She said that this project also received significant funding from HPD.

Ms. Bressler said that during the construction period, Chase will provide a letter of credit. Raymond James Tax Credit Funds, Inc., is the syndicator, and low income housing tax credits is expected to be acquired at a price of \$1.09 per tax credit. She said that Wavecrest Management Team Ltd. will manage the property. Vice Chairman Weiss asked about Communilife, a joint venture formed with Walison Corp. It was reported that Communilife is a very large, not-for-profit organization that provides supportive services to many of these types of projects and gets significant service awards from OMH in acknowledgement of these services.

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

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 BURNSIDE WALTON APARTMENTS

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2013 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$17,000,000.

The next item on the agenda were resolutions authorizing financing for Oak Creek Town Homes, Town of Auburn, Cayuga County not to exceed \$10 Million Dollars. Ms. Patrice Havelka, Assistant Vice President, Multi-Family Finance, reported that the project is part of Governor Cuomo's Housing New York Initiative. She reported that the investment will fund the acquisition and substantial rehabilitation of 150 units of Mitchell-Lama multifamily affordable housing located at 101 Quill Avenue, Auburn, New York, originally built in 1972, and contained in 27 buildings spread out over 14.5 acres. She said this is the first project that the agency has financed in Cayuga County and the fourth Mitchell-Lama portfolio that's been brought to the Board. She said that the buildings are all walk-ups; no elevators exist on the site. She also reported that there is an estimated \$3.6 Million Dollars in HFA subsidies.

Ms. Havelka said that the general contractor will be Home Leasing Services LLC, a long-term client of HFA. She stated that the investor member will be RBC Capital Markets, syndicator, who will be acquiring low income housing tax credits at a price of \$0.94.

Ms. Havelka said that the agency has financed \$10 Million Dollars with an estimated loan term of 32 years with 30-year amortization. She said there is an estimated \$3.6 Million Dollar HFA Subsidy Loan. It is expected that Chase will provide the letter of credit. She said that the

SONYMA Mortgage Insurance Fund will provide insurance during the permanent loan period. Ms. Havelka said that currently, as part of HUD's Rental Assistance Demonstration PILOT Program, the project expects to receive project-based Section 8 vouchers for all 150 tenants with incomes at or below 60% of the AMI which include one, two and three-bedroom units. She said other elements of the proposed rehabilitation scope are new fixtures, HVAC, and the exteriors will receive all new vinyl siding with upgrade insulation, etc. She said that the windows are currently single-pane, double-hung, aluminum frame and will be replaced with energy-efficient, double-pane windows. She further stated that all appliances will be Energy Star or equivalent and additionally, there will be handicapped accessible retrofits for a number of the designated units.

The presence of Edgemere Development, Inc., the development arm of Home Leasing Services LLC, representatives were acknowledged.

Considering the first and second motions previously entered, the motions were carried, and the following resolutions were adopted with the recusal of Vice Chairman Steven Weiss:

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 OAK CREEK TOWN HOMES

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2013 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$10,000,000.

The next item on the agenda were resolutions authorizing \$65,000,000 unrated, private placement financing for the 330 West 39th Street Project, City of New York, New York County. Ms. Zucker reported that this item represents a "technical" change to the bond documents. She reported that the owner of the project has requested the agency's approval of resolutions authorizing the unrated, private placement of its \$65,000,000 2010 Series A tax-exempt Housing Revenue Bonds with Wells Fargo who will directly purchase the outstanding bonds.

Ms. Zucker provided the background history. She noted that the project received financing authorization in 2010 when the agency issued the requisite tax-exempt bonds in the amount of \$65,000,000 with an allocation of 4% as of right low-income housing tax credits. She said the total outstanding bond amount which is secured by a letter of credit issued by the BOA, amounting to \$65,000,000 and expires on November 29, 2013. She also noted that the project is 100% completed and occupied.

Ms. Zucker noted that upon approval, should any future developer make such a request, and move from a construction loan to a permanent loan, Board authorization would not be required, because the provision would be provided in the loan documents. Ms. Zucker said that similar to other 80/20 unit financings and in accordance with the current Bond resolutions, principal

payments may be made to a principal reserve fund until the balance in the fund reaches the maximum amount approved by the Agency's tax counsel.

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

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 330 WEST 39TH STREET

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AMENDING AND RESTATING THE 330 WEST 39TH STREET HOUSING REVENUE BOND RESOLUTION.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AMENDING AND RESTATING THE 330 WEST 39TH STREET HOUSING REVENUE BONDS, 2010 SERIES A RESOLUTION.

The last item on the agenda was an information item which highlights the agencies' pipeline of projects. Ms. Zucker distributed the Pipeline Report to the members highlighting units that are closed and/or approved by the Members to date (October 2013). She noted that the report highlights the closing of eight (8) affordable projects -- 929 units and the financing of one (1) new 80/20 unit (44th Drive); also did a credit substitution on another 80/20 unit was made and a mode change on two (2) others, etc. She noted that the projects financed roughly breaks down between new construction and preservation. She said that the projects challenges in moving the pipeline forward between now and year-end. She explained the pie charts and noted that the second pie chart in the handout illustrates what the agency intends to close by year-end. She said the agency is also seeing more preservations rather than new transactions. Concern was expressed regarding the government shut-down and the need to have HUD's signatory on several documents.

Ms Zucker explained how the agency decides which projects to fund by first funding affordable housing, followed by 80/20 unit projects. She reiterated that for the 80/20 units, the agency has an "open" window which consists of outreach that includes speaking at conferences, etc. She said the agency name and its association with tax-exempt bonds with the State has properly marketed its product and there has not been a problem with acquiring sufficient cap, however, there has been a problem with sufficient staff resources, on short notice.

Commissioner Mattox asked, "with respect to outreach, do you typically see a good representation from across the state?" Ms. Zucker commented that there is a fairly broad range. He suggested doing more outreach to include meetings with the ten (10) Regional Economic Development Councils. He said that maybe additional information can be provided about the other entities operating in the housing development field.

It was agreed that an educational session will be scheduled and conversations on policy issues will be continued.

There being no unfinished business, Vice Chairman Weiss moved to adjourn the HFA meeting; Commissioner Mattox seconded the motion, and the meeting was adjourned at 9:56 a.m.

Mr. Kim noted that the next Board meeting was scheduled for Thursday, November 7, 2013 at 8:30 a.m.



C. Jason Kim, Secretary