

**MINUTES OF THE
471st MEMBERS MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY
HELD ON OCTOBER 15, 2015, AT 8:30 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

William C. Thompson	Chairman
Steven J. Weiss	Vice Chairman (via video conference)
Nestor M. Davidson	Member
James S. Rubin	Member
Elaine McCann	New York State Division of the Budget, representing Mary Beth Labate, Member (via video conference)
Christopher Curtis	New York State Department of Taxation and Finance Representative

ABSENT:

Joyce L. Miller	Member
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Chairman William C. Thompson presided over the meeting and welcomed everyone. He commented that the Education Session that was held on Tuesday, October 13, 2015 was very well done, noting that interesting topics arose and discussed the need for a similar education session to be held in the future. He thanked Commissioner James S. Rubin and staff for the work that went into preparing for the session.

Mr. Adam Schuman, Senior Vice President and Counsel to the Agencies, acted as Secretary. He noted that Ms. Elaine McCann, representing Budget Director, Ms. Mary Beth Labate, was participating in the meeting via video conference from the NYS Division of the Budget conference center at the Capitol Building, Room 131, in Albany and Ms. Bethaida Gonzalez was participating in the meeting via video conference at the Syracuse Regional Office, 620 Erie Boulevard, Suite 312.

A public notice was given of the time and location of the venues in accordance with the New York State Open Meeting Law.

Mr. Schuman asked for motions and seconds to call to order the Members and Directors meetings of the New York State Housing Finance Agency (“HFA”), the New York State Affordable Housing Corporation (“AHC”), and the State of New York Mortgage Agency (“SONYMA”), respectively. Mr. Nestor M. Davidson moved to call the HFA and AHC meetings to order; Mr. Steven J. Weiss seconded the motion. Mr. Anthony Bergamo moved to call the SONYMA meeting to order; Chairman Thompson seconded the motion.

Mr. Schuman 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 Director 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.

The first item on the agenda was the President’s Report. President, James S. Rubin, extended greetings to everyone and echoed Chairman Thompson’s remarks by thanking the staff, particularly Mr. Schuman and Mr. Alejandro J. Valella, Vice President and Deputy Counsel HFA/SONYMA, for their work on the Education Session. He anticipates that more targeted sessions will be held in the future. He spoke favorably about the Board Members/Directors’ continued involvement.

President Rubin reported that earlier that day the Mortgage Insurance Committee (“MIC”) approved permanent mortgage insurance for eight (8) projects representing 673 units of affordable in housing located in: Cortland, Kings, Monroe, Erie, Bronx and Broome counties.

President Rubin reported that on the multifamily side, HFA will be asked to approve financing of four (4) projects representing \$190 million in bond financings, for over 694 units of housing in five (5) counties across the State.

President Rubin said the AHC Board will be presented with a resolution to authorize funding in an amount totaling \$1.8 million. He said these awards represented assistance to 65 units of housing in Oswego and Cortland Counties.

Finally, President Rubin shared his and other staff members’ activities which included traveling throughout the State meeting with Agency partners in the development community, meeting with affordable housing groups, various elected officials and attending ribbon cutting ceremonies and ground breakings. He reported that since the last Board meeting, there have been meetings and events in Syracuse, Albany, Amsterdam, Verona and throughout New York City. He stated that he plans to continue to travel visiting the Agencies’ project sites and partners often

and hopes to shine a light on the great work being done at the New York State Division of Housing & Community Renewal.

The first item on the agenda was the adoption of the minutes of the 470th HFA Members meeting held on September 10, 2015. HFA minutes were revised to incorporate comments made by Mr. Weiss. Absent other comments or corrections from the Members, Mr. Schuman reported that the minutes were deemed approved.

Chairman Thompson stated that the next item on the agenda was a resolution authorizing financing approval in an amount not to exceed \$9,885,000 for Alexander Street Apartments, 175 Alexander Street, Rochester, Monroe County. Mr. Bret Garwood, Senior Vice President, Multifamily Housing, introduced the four (4) items that would be presented at the meeting, noting that the first was part of the integrated supportive housing program that is part of the New York State Medicaid Redesign Team (“MRT”) program, located in upstate, NY. Mr. Garwood noted that this is an interesting location as there is a lot going on in the neighborhood (a high school is down the street from the revitalization site of a former hospital).

Mr. Garwood reported that Management seeks authorization to issue bonds for the construction of sixty (60) units of housing and that thirty (30) units will be set aside for persons with psychiatric disabilities. He said the investment recommendation is \$9.8 million in estimated maximum fixed-rate, tax-exempt bonds and includes approximately \$632,000 in tax credits. Mr. Garwood noted that the total project cost is approximately \$16.5 million. He said the leverage of the project includes an estimated maximum of approximately \$2.5 million from the MRT program. He also said that there is a New York State Office of Mental Health (“NYSOMH”) Capital Loan of up to \$3 million during construction. He said the project will also benefit from a Payment in lieu of Taxes (“PILOT”) Agreement with the City of Rochester for a term of 30 years.

Mr. Garwood said that the three-story apartment building will contain sixty (60) one-bedroom units, three (3) of which will be fully accessible for the mobility impaired, and two (2) of which will be accessible for the hearing and/or visually impaired. He said there is no superintendent unit; however, the Management office is next door and there is 24-hour security on the site.

Mr. Garwood stated that a surface level parking lot will contain approximately forty-one (41) parking spaces and additional space for bicycle storage for tenants at no charge. He stated that the project site, currently owned by Glazer Office Management LLC, will be acquired by East House prior to the bond and mortgage closing in the expected amount of \$525,000, as supported by an appraisal reviewed and approved by OMH. He also stated that the developer is a combination of Pathstone Management Corporation and East House; they have partnered with NYSDHCR in the past.

Mr. Davidson stated that he noticed a new metric for job creation for all four (4) of the projects that appeared on the agenda and requested additional background information. Ms. Zucker noted

that Management usually relies on the developer for the job creation amounts. Mr. Garwood noted that Management relied on an independent entity (National Home Builders Association) which is known for creating the best studies for affordable housing to provide job creation numbers (he noted that based on recent comparisons, job creation numbers have actually decreased). Mr. Davidson noted the importance of uniformity.

Mr. Davidson also pointed out that the pro forma cash flow from years 2011-2015 decreased significantly and expressed concern about the risk. Mr. Garwood noted that in this particular case, there is a lot more comfort from "a first mortgage point of view," resulting in less risk and in terms of the lender, it is a lot safer.

Mr. Weiss commented favorably on the fact that the tax credit pricing has gone up in both Rochester and in Binghamton. Ms. Zucker will provide a year-end report on pricing.

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 ALEXANDER STREET APARTMENTS

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2015 SERIES IN A PRINCIPAL AMOUNT NOT EXCEEDING \$9,885,000

The next item on the agenda was a resolution authorizing financing approval in an amount not to exceed \$6,665,000 for 100 Chenango Place Apartments, 100 Chenango Street, Binghamton, Broome County. Mr. Garwood noted that this project is an upstate preservation deal in downtown Binghamton. He noted that the project represents the acquisition and rehabilitation of one 15-story, 144-unit building for seniors. He also noted that 143 revenue generating units are expected to be set aside for senior households with income at or below 60% of the Area Median Income.

Mr. Garwood reported that the investment recommendation is \$6.6 million; also, there is \$438,000 in estimated annual allocation of 4% low-income housing tax credits and a \$750,000 HFA Subsidy Loan. He noted that the project will enjoy and benefit from a United States Department of Housing and Urban Development project-based Section 8 Housing Assistance Payment Contract for eighty-six (86) units. He said that later, today, Management will be seeking approval of a \$2 million in Homes for Working Families Loan from the Housing Trust Fund Corporation Board.

Mr. Garwood noted that the amenities included a laundry room on floors 2-15, twenty-four hour emergency maintenance, a community room, a library, and approximately fifty (50) parking spaces. He noted that there is a substantial scope of work which will include a new roof with additional insulation, new properly sealed windows, new sprinkler system, and elevator modernization. He said that all units will receive kitchens fitted with Energy Star appliances; new bathrooms fitted with low-flow plumbing fixtures. He said that six (6) units will be reconfigured to meet ADA requirements.

Mr. Garwood stated that the developer is Liberty CNY Housing, LLC, a developer with whom the Agencies have substantial experience. However, he said the investor has changed to First Urban which will result in a small increase in the credit price. He said the previous investor was new to the Agencies and couldn't meet the timing of the closing. This is the Agency's first deal in Binghamton, NY.

Mr. Weiss recused himself from voting on this recommendation due to his firm's representation of Sterling National Bank.

Considering the first and second motions previously entered, the motions were carried, and the following resolutions were adopted with the recusal of Vice-Chairman 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 100 CHENANGO PLACE APARTMENTS**

**A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE
HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF
AFFORDABLE HOUSING REVENUE BONDS, 2015 SERIES _ IN A
PRINCIPAL AMOUNT NOT EXCEEDING \$6,655,000**

The next item on the agenda was a resolution authorizing financing approval in an amount not to exceed \$174,000,000 for 210 Livingston Street, Brooklyn, Kings County. Ms. Zucker stated that Management seeks authorization to issue bonds for the construction of 368 units of multifamily housing to be located in downtown Brooklyn. She explained that the total development cost is estimated to be approximately \$235,000,000. She said the investment recommendation is \$174,000,000 in estimated maximum variable-rate, tax-exempt and taxable bonds; estimated maximum construction and permanent period variable rate mortgage loan of \$158,000,000 and \$126,400,000 of variable-rate taxable bonds; \$31.6 million of variable-rate, tax-exempt bonds (approximately \$400,000 per affordable unit).

Ms. Zucker stated that the project will consist of one 25-story tower (108 studios, 168 one-bedroom apartments, 91 two-bedroom apartments and one (1) three-bedroom apartment). She said the affordable units will be affordable into perpetuity in accordance with the guidelines of the City of New York Department of Housing Preservation and Development's Inclusionary Housing

Program. She said the retail space and parking garage will consist of approximately 19,000 square feet.

Ms. Zucker said the borrower is comprised of members of Rose Associates, Inc. and The Benenson Capital Company LLC (Benenson). She said both Rose Silverman and Adam R. Rose are long-standing residential developers based in New York City and oversee over 16,000 rental units. She said; Benenson Capital has been in existence for over 100 years.

Ms. Zucker said Rose Associates, Inc. is also the Managing Agent for the project and that Monadnock Construction, Inc. is the Construction Manager (manages both affordable and 80/20 developments).

Ms. Zucker said the project includes access to the Hoyt-Schermerhorn MTA subway station by Jay Street in downtown Brooklyn. She noted that there's a number of green elements, i.e. energy efficient lighting, green roofs, Energy Star appliances, etc.

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 210 LIVINGSTON STREET APARTMENTS

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 210 LIVINGSTON STREET APARTMENTS HOUSING REVENUE BONDS

AN RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 210 LIVINGSTON STREET APARTMENTS HOUSING REVENUE BONDS, 2015 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$174,000,000

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 210 LIVINGSTON STREET APARTMENTS HOUSING REVENUE BONDS, 2015 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$174,000,000

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 210 LIVINGSTON STREET APARTMENTS HOUSING REVENUE BONDS, 2016 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$174,000,000

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 210 LIVINGSTON

STREET APARTMENTS HOUSING REVENUE BONDS, 2016 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$174,000,000

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 210 LIVINGSTON STREET APARTMENTS HOUSING REVENUE BONDS, 2017 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$174,000,000

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 210 LIVINGSTON STREET APARTMENTS HOUSING REVENUE BONDS, 2017 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$174,000,000

The next item on the agenda was a resolution authorizing the approval of a subsidy loan in an amount not to exceed \$4,441,284 for Springbrook Village, 3 Garraghan Drive, Kingston, Ulster County. Mr. Garwood reported that this is another project that the Agencies will assist with as part of Governor Andrew M. Cuomo's HOUSE NY Mitchell Lama ("ML") portfolio which is a subsidy only project. He said in this case, the project had been refinanced with a 9% tax credit approximately ten (10) years ago. He said in reevaluating the project, it was determined that some energy enhancements could be done, e.g. recladding. Mr. Garwood referred to the project site photos; these enhancements will help with the aesthetics and deterioration of the façade and substantially improve the energy efficiency.

Mr. Garwood reported that the project will consist of the rehabilitation of 122 revenue-generating units of ML affordable housing in Ulster County. He said the units consist of eight (8) studios, twenty (20) one-bedrooms, seventy-two (72) two-bedrooms and twenty-four (24) three-bedrooms.

Mr. Garwood said the investment recommendation is for a ML Subsidy Loan amounting to an estimated \$4.4 million. He said the terms of the subsidy loan will be supportive of the previous financing. He said the cash flow will be substantially changed from 25%-50% with a New York State Energy Research and Development Authority grant totaling an estimated \$115,900.

Mr. Garwood reported that the scope of work focuses on a number of immediate and capital intensive concerns, particularly re-cladding the entire exterior façade with an Exterior Insulated Façade System ("EIFS") which consequently requires the installation of new windows (Energy Star), air conditioner sleeves, and roofing systems. He said the new EIFS system will preserve the structural integrity of the building as well as improve energy performance.

Commissioner Rubin asked if the developer requested tax credits. Ms. Zucker and Mr. Garwood responded by noting that this project, part of the Agency's Mitchell Lama portfolio, is one of the projects where substantial work has been needed in the past but could not be done.

Ms. Zucker reported that the owners have been encouraged to share their energy data with the Agency and consequently, they've been working with Asset Management. She said it is

Management's hope that this will assist in the development of a data base to compare projects based on energy usage.

Commissioner Rubin asked if the Agency underwrote the project. Ms. Zucker noted that the SONYMA's Mortgage Insurance Fund and Fannie Mae have agreed to underwrite the project, however, this is less of an "underwriting" situation since the Agencies don't have first mortgage debt.

Commissioner Rubin briefly discussed the Amsterdam project as another example of the Agencies making a difference in terms of the great contrast (before and after)

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

**A RESOLUTION OF THE NEW YORK STATE HOUSNG FINANCE
AGENCY AUTHORIZING A HOUSE-NY PROJECT SUBSIDY LOAN
FOR THE PROJECT KNOWN AS SPRINGBROOK VILALGE.**

There being no unfinished business, Mr. Schuman asked for a motion to adjourn the meeting. Mr. Davidson moved to adjourn; Vice Chairman Weiss seconded the motion, and the meeting was adjourned at 9:55 a.m.

Mr. Schuman informed the Members that the next Board meeting is scheduled for Thursday, November 12, 2015, at 8:30 a.m.



Adam Schuman, Secretary