

**MINUTES OF THE
REGULAR MEETING OF THE
MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD JUNE 11, 2015 AT 8:00 AM
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

William C. Thompson	Chairman
Marge Rogatz	Director
Darryl C. Towns	Director

Chairman William Thompson chaired the meeting of the Mortgage Insurance Committee (MIC) of the State of New York Mortgage Agency ("SONYMA").

M. Lauren McGill, Vice President and Counsel to the Mortgage Insurance Fund (MIF) acted as Secretary and asked for a motion and second to call the meeting to order. Commissioner Towns moved to call the meeting to order; Marge Rogatz seconded the motion.

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

Mr. Christopher Curtis, Deputy State Treasurer, in his role as designee to the Commissioner of Taxation and Finance from the New York State Department of Taxation and Finance, HFA/AHC Member attended this meeting as a guest.

Ms. McGill stated that as items were presented before the Committee throughout the meeting, the previous motion and second would be used unless specific items called for a different vote or unless any Director wished to record his or her vote differently.

The first item on the agenda was the adoption of the minutes of the meeting of the MIC held on May 14, 2015. There being no objections or corrections from the Directors, Ms. McGill reported that the minutes were deemed approved.

The next item on the agenda was a resolution recommending the approval of 100% mortgage insurance on a \$16,500,000 HFA permanent first mortgage loan for Cedars at

Chili, 1 Norfolk Drive, Town of Chili, Monroe County. Michael Friedman, Senior Vice President/Director of MIF, highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman stated that the project comprises the moderate rehabilitation of sixty two-story buildings with 320 low-income units. He noted that the borrower has applied for a project-based Section 8 Housing Assistance Payments (“HAP”) Contract covering all units under the Department of Housing and Urban Development’s (“HUD”) Rental Assistance Demonstration II Program.

Mr. Friedman noted that the project is a Mitchell-Lama project and will, in addition to the insured loan, benefit from a \$13 million HFA Mitchell-Lama subsidy loan, a \$5 million Bank of America DOJ loan, \$13.8 million in Federal Low-Income Housing Tax Credits (“LIHTCs”) and a shelter rent agreement.

Mr. Friedman stated that the development entity, WinnResidential, is one of the nation’s largest developers of affordable housing and will manage the project. He reported that the overall insured loan amount is \$51,563 per unit, which equals 30% of the project’s total development cost of \$171,132 per unit, and the project will break even with a pro form 10% vacancy and collection loss or an 8% increase in operating expenses.

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

**A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE
OF THE STATE OF NEW YORK MORTGAGE AGENCY
RECOMMENDING APPROVAL OF MORTGAGE INSURANCE AND
A COMMITMENT FOR THE PROVISION THEREOF FOR CEDARS
AT CHILI, 1 NORFOLK DRIVE, TOWN OF CHILI, MONROE
COUNTY**

The next item on the agenda was a resolution approving 50% mortgage insurance on an \$11,020,000 HDC permanent first mortgage loan for The Glenmore, 91 Junius Street, Brooklyn, Kings County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. He stated that the project is comprised of the new construction of a building with 161 low-income units including ninety-six supportive housing units which will be covered by 15-year, project-based Section 8 HAP Contract.

Mr. Friedman stated that the project will be heavily subsidized and, in addition to the insured loan, will benefit from an \$8.8 million New York City Housing Development Corporation (HDC) second mortgage loan, a \$12.8 million New York City Housing Preservation and Development (HPD) third mortgage loan, a \$5.7 million Homeless Housing Assistance Program loan, a \$4 million Bank of America DOJ grant and \$33,181,000 from Federal LIHTCs.

Mr. Friedman stated that the development entity is Women in Need, Inc. (WIN), an experienced not-for-profit entity which provides homeless women and their children with transitional and supportive housing. He noted that WIN will manage the project.

Mr. Friedman noted that the insured loan amount is approximately \$68,000 per unit, which equals only 14% of the project's total development cost of \$494,169 per unit, and will break even with a pro forma 11% vacancy and a collection loss or a 10% increase in operating expenses. He added that there will be a positive cash flow with all the commercial space vacant.

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

**A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF
THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING
MORTGAGE INSURANCE AND A COMMITMENT FOR THE
PROVISION THEREOF FOR THE GLENMORE, 91 JUNIUS STREET,
BROOKLYN, KINGS COUNTY**

The next item on the agenda was a resolution approving 50% mortgage insurance on a \$7,930,000 HDC permanent first mortgage loan for CAMBA Van Dyke, 603 Mother Gaston Boulevard, Brooklyn, Kings County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman noted that this project is comprised of the construction of a 12-story apartment building with 101 low-income units including seventy-five supportive housing units. Mr. Friedman further noted that the project will be built on a NYCHA site and that the seventy five supportive housing units will be covered by project-based Section 8 vouchers from the New York City Housing Authority.

Mr. Friedman stated that this will be the third loan that the agency has insured for CAMBA Housing Ventures, Inc., an experienced not-for-profit developer in Brooklyn. He noted that the insured loan amount is \$78,515 per unit, which equals 14% of the project's total development cost of \$556,046 per unit, and that the project will break even with a 13% increase in operating expenses or a 12% vacancy rate.

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

**A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF
THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING
MORTGAGE INSURANCE AND A COMMITMENT FOR CAMBA VAN
DYKE, 603 MOTHER GASTON BOULEVARD, BROOKLYN, KINGS
COUNTY**

The next item on the Agenda was a resolution recommending the approval of 75% mortgage insurance on an \$18,315,869 CPC permanent first mortgage loan for 233 Landing Road, Bronx, Bronx County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. He stated that the project is comprised of the construction of a 200-bed transitional shelter. He stated that The New York City Department of Homeless Services will pay the full debt service by payment directly to the lender. He added that the project will receive an Article XI tax abatement.

Mr. Friedman stated that the project is being developed by Bowery Residents' Committee, Inc. (BRC) an experienced owner and operator of housing for formerly homeless individuals. He noted that BRC will operate the project. Mr. Friedman noted that the DHS payments are subject to annual appropriation by New York City, a minimal risk due to the City's obligations under the Callahan consent decree.

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

**A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF
THE STATE OF NEW YORK MORTGAGE AGENCY
RECOMMENDING APPROVAL OF MORTGAGE INSURANCE AND A
COMMITMENT FOR 233 LANDING ROAD, BRONX, BRONX COUNTY**

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$3,794,463 CPC permanent first mortgage loan for 346 Bergen Street, Brooklyn, Kings County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman stated that this project comprises the construction of a building with twenty-three workforce housing units. Mr. Friedman stated that twelve units will be covered by and HPD regulatory agreement and will be affordable to households with incomes up to 100% of the Area Median Income (AMI) with the remaining eleven units affordable to households with incomes up to 130% of AMI. He noted that, in addition to the insured first mortgage, the project will benefit from an approximately \$1.9 million HPD subordinate loan.

Mr. Friedman stated that the developer, Woodside Housing Resources Foundation, Inc. is new to SONYMA and that background searches have been performed on the entity and its principal by SONYMA and by HPD. He noted that the loan amount is \$158,103 per unit, which equals 60% of the project's total development cost of \$264,183 per unit, and that the project will break even with a 14% vacancy and collection loss on the units, or 27% increase in operating expenses.

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

A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR 346 BERGEN STREET, BROOKLYN, KINGS COUNTY

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$2,935,000 CPC permanent first mortgage loan for 1561 Walton Avenue, Bronx, Bronx County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman reported that this project comprises the construction of an 11-story building containing sixty mixed-income units with rents affordable to households with incomes up to 40%, 55% or 65% of AMI. He noted that eight units will be set-aside for formerly homeless tenants and will be covered by project based Section 8 vouchers.

In addition to the insured first mortgage, Mr. Friedman stated that the project will benefit from a \$3,309,345 HPD/ELLA program loan, a \$72,000 NYSERDA grant, \$12,936,758 in LIHTCs and 420c tax benefits. He added that the development entity, Settlement Housing Fund, Inc., is an experienced developer of affordable housing and that the loan will be the second loan insured for entities controlled by Settlement Housing.

Mr. Friedman reported that the loan amount is approximately \$49,000 per unit, which equals 15% of the project's total development cost of approximately \$329,463 per unit, and that the project will break even with a 15% increase in operating expenses or a 14% residential vacancy rate.

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

A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR 1561 WALTON AVENUE, BRONX, BRONX COUNTY

The next item on the Agenda was a resolution recommending the approval of 100% mortgage insurance on a \$12,131,475 Bank of America, N.A. permanent first mortgage loan for 268-274 Buffalo Avenue et al, Brooklyn, Kings County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman stated that this project comprises the acquisition and rehabilitation of twenty three apartment buildings containing 296 low income units. He added that the project is subject to an HPD Regulatory Agreement.

In addition to the insured first mortgage, Mr. Friedman stated that the project will benefit from a \$5 million HPD subsidy loan and a \$2 million Bank of America DOJ subordinate loan.

Mr. Friedman reported that the development entity is controlled by The Hudson Companies Incorporated, an experienced developer of affordable housing, in partnership with the Brooklyn Ecumenical Cooperatives. He added that the insured loan amount is \$40,985 per unit which equals 31% of the project's total development cost of \$133,058 per unit.

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

**A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF
THE STATE OF NEW YORK MORTGAGE AGENCY
RECOMMENDING APPROVAL OF MORTGAGE INSURANCE AND A
COMMITMENT FOR 268-274 BUFFALO AVENUE ET AL, BROOKLYN,
KINGS COUNTY**

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$3,751,834 Bank of America, N.A. permanent first mortgage loan for Our Lady of Lourdes, 1 DeSales Place, Brooklyn, Kings County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman reported that this project comprises the construction of two buildings and rehabilitation of a third for a total of seventy-six low and moderate income units and 8,200 sq. ft. of community service facility space. He noted that units will be restricted to households with incomes up to 30%, 40%, 50%, 60% or 80% of AMI, adjusted by household size with initial rents set at a slightly lower level.

In addition to the insured first mortgage, Mr. Friedman stated that the project will benefit from a \$2 million HPD Reso A loan, a \$3.5 million Bank of America DOJ loan and \$15 million in LIHTCs.

Mr. Friedman stated that the project's development entity, Our Lady of Lourdes Housing Fund Corporation is controlled by Ridgewood Bushwick Senior Citizens Council, an experienced developer of affordable housing. He noted that the insured loan amount is approximately \$49,366 per unit, which equals 12% of the project's total development cost, and that the project will break even with a 10% vacancy and collection loss on the units, a 7% increase in operating expenses. He directed the Directors attention to the photograph of the existing building in the project materials.

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

**A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF
THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING**

MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR OUR LADY OF LOURDES, 1 DESALES PLACE, BROOKLYN, KINGS COUNTY

The next item on the resolution approving 100% mortgage insurance on a \$4,763,958 LISC permanent first mortgage loan for 994 Washington Avenue, Bronx, Bronx County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman reported that the project comprises the development of one building with 95 low income units including 57 supportive housing units set aside for formerly homeless individuals with mental health disorders which will be covered by a 15-year project-based Section 8 contract.

Mr. Friedman stated that the project is heavily subsidized and will benefit from an approximately \$10 million HPD subordinate loan, a \$1 million Reso A loan, a \$234,000 environmental remediation grant, a \$114,000 NYSEDA grant, and \$13 million in LIHTCs. He added that the NYS Office of Mental Health will fund support services.

Mr. Friedman stated that the project's developer is SoBRO and that support services will be provided by Urban Pathways, Inc; SoBro will manage the project. He noted that the loan amount is \$50,147 per unit, which equals 15% of the project's total development cost of \$332,340 per unit, and that the project will break even with a 19% vacancy and collection loss or a 25% increase in operating expenses.

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

A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR 994 WASHINGTON AVENUE, BRONX, BRONX COUNTY

The next item on the Agenda was a Resolution approving 100% mortgage insurance on a \$6,543,510 LISC permanent first mortgage loan for FAC Renaissance Apartments, 147 5th Avenue and 20 additional buildings, Brooklyn, Kings County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman reported that the project comprises the rehabilitation of twenty-one buildings with 146 units. He stated that all units are restricted to households with incomes at or below 80% of AMI, adjusted by family size with initial rents ranging from 36% to 46% of AMI, adjusted by unit size.

Mr. Friedman stated that the not-for-profit developer is Fifth Avenue Committee, Inc., an experienced developer in South Brooklyn which was established in 1978. He noted that the loan

amount is \$44,819 per unit, which equals 37% of the project's total development cost of \$122,751 per unit, and the project will break even with a 11% vacancy and collection loss or an 8% increase in operating expenses.

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

A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR FAC RENAISSANCE APARTMENTS, 147 5TH AVENUE AND 20 ADDITIONAL BUILDINGS, BROOKLYN, KINGS COUNTY

The next item on the Agenda was a resolution recommending the approval of 100% mortgage insurance on a \$7,211,500 JPMorgan Chase, N.A. permanent first mortgage loan for Arthur Clinton Apartments, 2089-91 Arthur Avenue, 2131 Clinton Avenue, 565 East 178th Street, 62-66 Tremont Avenue, Bronx, Bronx County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. He stated that this project is comprised of the rehabilitation of four buildings with 190 low and moderate income units and one commercial space. He added that 101 units will be restricted to households at 60% of AMI and 89 units will be restricted to households at 85% of AMI with nine units reserved for tenants referred by the NYC Department of Homeless Services.

Mr. Friedman stated that, in addition to the insured loan, the project will benefit from an approximately \$18 million HPD Article XV loan, \$16.5 million in LIHTCs and an Article XI real estate tax exemption.

Mr. Friedman stated that the developer, Belmont Arthur Avenue Local Development Corp., was founded in 1981 to help prevent the deterioration and abandonment of housing in the Belmont neighborhood. He noted that the loan amount is \$37,365 per unit, which equals 17% of the project's total development cost of \$223,430 per unit, and the project will break even with a 10% proforma vacancy and collection loss or a 7% increase in operating expenses.

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

A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF THE STATE OF NEW YORK MORTGAGE AGENCY RECOMMENDING APPROVAL OF MORTGAGE INSURANCE AND A COMMITMENT FOR ARTHUR CLINTON APARTMENTS, 2089-91 ARTHUR AVENUE, 2131 CLINTON AVENUE, 565 EAST 178TH STREET, 62-66 TREMONT AVENUE, BRONX, BRONX COUNTY

The next item on the Agenda was a resolution recommending approval of an increase in 50% mortgage insurance from \$30,920,000 to \$34,120,000 on the HDC permanent first mortgage loan for Lindsay Park, 30 Montrose Avenue, 25, 54 and 91 Boreum Street, 31 Leonard Street, 67 Manhattan Avenue, 29 Moore Street, 202 Union Avenue, Brooklyn, Kings County. Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Mr. Friedman stated that, as a result of a projected increase in J-51 benefits to the project of \$100,000 per year and a \$170,000 decrease in elevator expenses, the project is able to support a mortgage increase of \$3,200,000 and underwrites to SONYMA requirements at the higher level. He stated that HDC is requesting that SONYMA increase its Commitment to Insure to provide 50% mortgage insurance on the increased mortgage loan of \$34,120,000.

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

**A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE
OF THE STATE OF NEW YORK MORTGAGE AGENCY
RECOMMENDING APPROVAL OF MODIFICATIONS OF
MORTGAGE INSURANCE AND A COMMITMENT FOR THE
PROVISION THEREOF FOR LINDSAY PARK, 30 MONTROSE
AVENUE, 25, 54 AND 91 BOREUM STREET, 31 LEONARD STREET, 67
MANHATTAN AVENUE, 29 MOORE STREET, 202 UNION AVENUE,
BROOKLYN, KINGS COUNTY**

The last item on the Agenda was an information item. Mr. Friedman reported that mortgage recording tax collections for the month of May were \$15 million.

Ms. Rogatz noted favorably the number of projects on the agenda and the broad array of housing services represented.

There being no unfinished business, Commissioner Towns moved to adjourn the meeting which was duly seconded by Ms. Rogatz and the meeting was adjourned at 8:27 a.m.



M. Lauren McGill
Secretary