

**MINUTES OF THE  
REGULAR MEETING OF THE MORTGAGE INSURANCE COMMITTEE OF THE  
STATE OF NEW YORK MORTGAGE AGENCY  
HELD ON MARCH 6, 2014 AT 8:00 A.M.  
AT ITS OFFICES AT 641 LEXINGTON AVENUE  
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

William J. Mulrow	Chairman
Marge Rogatz	Director (via videoconference)
Darryl C. Towns	Director

ABSENT:

Naomi Bayer	Director
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Chairman William J. Mulrow opened and chaired the meeting of the Mortgage Insurance Committee 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. Chairman Mulrow moved to call the meeting to order; Commissioner Towns seconded the motion.

Ms. Rogatz participated in the meeting via video conference from the office of Expedia at 325 Duffy Avenue in Hicksville, New York. A public notice was given of the time and location of this venue.

Chairman Mulrow welcomed Mr. Moses Krausz, a new Director on the SONYMA Board. Mr. Krausz and Mr. Anthony Bergamo, SONYMA Directors, attended this meeting as guests.

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.

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**The first item on the agenda was the adoption of the minutes of the meeting of the Mortgage Insurance Committee ("MIC") held on January 29, 2013.** There being no objections or corrections from the Directors, Ms. McGill reported that the minutes were deemed approved.

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**The next item on the agenda was a resolution approving 50% mortgage insurance on a \$9,230,000 HDC permanent first mortgage loan for Plaza Borinquen, 406-423 & 465-475 East 137<sup>th</sup> Street, 473-491 East 138<sup>th</sup> Street, 470-484 East 139<sup>th</sup> Street, Bronx County, NY.** 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 is comprised of 50% insurance of a \$9.2 million New York City Housing Development Corporation (“HDC”) permanent mortgage loan for the acquisition and rehabilitation of an 88 unit all low income housing project in Bronx County. He stated that in addition to the insured’s first mortgage loan, the project will have an HDC subsidy loan, approximately \$7.8 million in federal and state low-income housing tax credits, and a Section 8 Housing Assistance Payment (“HAP”) contract covering 66 units.

Mr. Friedman stated that the development entity is controlled by NHP Foundation which is a very experienced developer of not-for-profit housing. He noted that the insured loan amount is \$105,000 per unit which equals only 37% of the project’s total development cost of approximately \$285,000 per unit. He further stated that the project would break even with a pro forma 11% vacancy rate and collection loss or an 11% increase in pro forma maintenance and 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 NEW YORK STATE MORTGAGE AGENCY  
APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE  
PROVISION THEREOF FOR PLAZA BORINQUEN, 406-423 & 465-475 EAST  
137<sup>TH</sup> STREET, 473-491 EAST 138<sup>TH</sup> STREET, 470-484 EAST 139<sup>TH</sup> STREET,  
BRONX COUNTY**

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**The next item on the agenda was a resolution recommending approval of 100% mortgage insurance on a \$7,500,000 Community Preservation Corporation (“CPC”) permanent first mortgage loan for 58 Portion Road, Lake Ronkonkoma, Suffolk 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 eight separate townhome clusters containing 59 low-income units. He reported that 30 supportive housing units will be reserved for New York State Office of Mental Health (“OMH”) clients paying Social Security Income (“SSI”) level rents, while the remaining twenty-eight (28) units will be affordable to tenants with incomes between 30% and 50% of the AMI. OMH will pay 100% of the debt service and support services for the 30 OMH units. In the event of a 60 day default by the Operator, OMH will pay debt service directly to the Lender.

Mr. Friedman stated that the development entity is controlled by Concern for Independent Living, Inc. ("Concern") which is an experienced and well regarded mental health services provider.

Chairman Mulrow asked if all of Concern's projects are Long Island based. Mr. Friedman responded that this is the sixth loan the Agency has insured for Concern projects, two of which are in Brooklyn with the remaining projects in Patchogue, Riverhead and Islip. He stated that the MIF's aggregate exposure to Concern is \$53 million which is 2% of the MIF's total exposure of \$2.6 billion.

Ms. Rogatz commented that she knows the developer well and that they do an efficient job and have a mission consistent with that of SONYMA.

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 58 PORTION ROAD, RONKONKOMA, SUFFOLK COUNTY**

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Mr. Friedman stated that the next three projects on the agenda have relatively similar structures with low income housing tax credits awarded by the NYS Division of Housing & Community Renewal ("DHCR") and financial support from the NYS Office for People with Developmental Disabilities ("OPWDD") support.

**The next item on the agenda was a resolution approving 75% mortgage insurance on a \$3,292,000 CPC permanent first mortgage loan for Lion Heart Residences of Cohoes, William Street and Manor Avenue, Cohoes, Albany 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 is comprised of the construction of three 3-story elevator apartment buildings which will contain 72 low income units with 145 parking spaces. He stated that 15 units will be reserved for clients of OPWDD with the remaining 56 units affordable to tenants with incomes between 50% and 60% of the Albany AMI, with adjustments for household size.

Mr. Friedman stated that the project is being developed by Kenneth Regan, Lawrence Regan and Keith Libolt, experienced developers of low income housing based in the Hudson Valley. He noted that the development entity is a repeat HFA, CPC and SONYMA borrower. He added that the project is the twelfth the Agency has insured for entities owned and controlled by the Regan brothers bringing the MIF's total exposure to approximately \$23 million which is relatively low.

Mr. Friedman noted that the insured loan amount will be approximately \$45,722 per unit but will equal only 20% of the project's total development cost of \$228,495 per unit; the project will break even with a 7% increase in operating expenses or an 11% vacancy rate.

Mr. Friedman stated that OPWDD will pay approximately half of the debt service. He noted that in addition to the insured first mortgage of \$3.2 million, there is a \$2.4 million Housing Trust Fund second mortgage, \$10.7 million in low income tax credits and an OPWDD debt service subsidy of \$133,845.

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 LION HEART RESIDENCES OF COHOES, WILLIAM STREET AND MANOR AVENUE, COHOES, ALBANY COUNTY**

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**The next item on the agenda was a resolution approving 100% mortgage insurance on a \$2,100,000 CPC permanent first mortgage loan for Independence Square, 11 Washington Terrace, Newburgh, Orange 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 the project is comprised of the construction of a 74 unit building which will include 14 OPWDD supportive housing units and 59 low income units. He stated that rents for all units will be set at between 30% and 60% of AMI, adjusted by unit size.

Mr. Friedman reported that the project is being developed by Jonah Mandelbaum with an affiliate of Independent Living, Inc. providing the supportive services. He noted that the development entity is another repeat CPC and SONYMA borrower. He confirmed that OPWDD will pay the difference between SSI rents and tax credit rents for the OPWDD units.

This project represents the twelfth loan that the Agency has insured with this developer aggregating \$22 million.

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 INDEPENDENCE SQUARE, 11 WASHINGTON TERRACE, NEWBURGH, ORANGE COUNTY**

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**The next item on the agenda was a resolution approving 75% mortgage insurance on a \$3,150,000 CPC permanent first mortgage loan for Woodrow Wilson Apartments, 141 Woodrow Road, Amsterdam, Montgomery County.** Mr. Friedman stated that this Mitchell-Lama housing project has one of the mortgages that the New York State Housing Finance Agency acquired from the Empire State Development (“ESD”) and it is heavily subsidized. In addition to the \$3,150,000 CPC first mortgage, there will be a \$5.4 million HFA subsidy loan, a \$2 million Housing Trust Fund loan and \$7.9 million in DHCR-allocated federal low income housing tax credits.

Mr. Friedman reported that the development entity is Omni Development Company, Inc. based in Albany, NY which is not affiliated with the New York City based OMNI.

Mr. Friedman stated that the loan amount is only \$31,500 per unit and equals only 14% of the project’s total development cost of approximately \$230,000 per unit. He added that the project will break even with a pro forma 12% vacancy rate and collection loss or a 12% increase in operating and maintenance costs. He noted that the project has a project-based Section 8 HAP contract covering 93 units which will be extended to 15 years.

Ms. Rogatz noted favorably that the project includes four-bedroom apartments which accommodate large families. Chairman Mulrow also noted that the project is in Montgomery County which does not appear frequently.

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 WOODROW WILSON APARTMENTS, 141 WOODROW ROAD, AMSTERDAM, MONTGOMERY COUNTY**

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**The next item on the agenda was a resolution approving 100% mortgage insurance on a \$3,514,000 JPMorgan Chase permanent first mortgage loan for Whipple Apartments, 7 Whipple 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 comprises the construction of a 51 unit all affordable building which will include 8 OPWDD units; OPWDD will contract to provide an annual debt service subsidy of approximately \$97,000.

Mr. Friedman noted that the development entity is controlled by Martin Dunn, an experienced and well regarded developer. He stated that the loan will be the sixth mortgage insured with this developer for an aggregate exposure of \$13 million.

Mr. Friedman stated that the insured loan amount is approximately \$69,000 per unit and equals only 23% of the project's total development cost of \$296,000 per unit. He added that the project will break even with a 12% pro forma vacancy and collection loss or an 11% increase in maintenance and operating expenses.

Responding to questions by Chairman Mulrow about developer fees, Mr. Friedman stated that the total developer fees are generally not greater than 15% of the project's total development cost.

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 WHIPPLE APARTMENTS, 7 WHIPPLE STREET, BROOKLYN, KINGS COUNTY**

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The last item on the agenda was a resolution recommending approval of an increase in mortgage insurance on the HFA permanent first mortgage loan for Wincoram Commons II, 3700 Route 112, Coram, Suffolk County from \$6,800,000 to \$7,480,000. Mr. Friedman stated that this mortgage insurance of \$6.8 million was approved at the January 27, 2014 meeting of the Mortgage Insurance Committee. Mr. Friedman stated that, because the proposed increased loan amount will exceed \$7 million, the increased mortgage insurance will requires Board approval. Mr. Friedman stated that interest rates have declined since the loan was originally underwritten, from 6.7% in January to a current interest rate of 6% so the Project's debt service remains the same.

Chairman Mulrow noted favorable that the seven projects on the agenda were located in six different counties.

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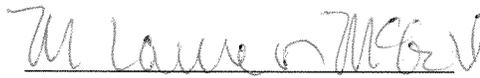
**A RESOLUTION OF THE MORTGAGE INSURANCE COMMITTEE OF THE STATE OF NEW YORK MORTGAGE AGENCY RECOMMENDING APPROVAL OF MODIFICATIONS TO MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR WINCORAM COMMONS II, 3700 ROUTE 112, CORAM, SUFFOLK COUNTY**

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**The next item on the agenda was an information item.** Mr. Friedman reported that the mortgage recording surtax receipts for January 2014 were \$12.8 million. Mr. Friedman provided some background information on the MIF covering the surtax funding of reserves, the set aside of reserves against new commitments and delinquencies and the statutory annual excess balance calculation which returns funds to the State general fund in years when surtax receipts exceed new liabilities. He referred to the record of surtax collections included each month in the materials provided to the Committee and noted that the Board will be asked to approve the estimated excess balance at its meeting.

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There being no unfinished business, Chairman Mulrow called for a motion to adjourn the meeting. Commissioner Towns moved to adjourn; Chairman Mulrow seconded the motion and the meeting was adjourned at 8:20 a.m.



M. Lauren McGill  
Secretary