

**MINUTES OF THE
REGULAR MEETING OF THE
MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD OCTOBER 9, 2014 AT 8:00 AM
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

William J. Mulrow	Chairman
Marge Rogatz	Director (via video conference)

ABSENT:

Moses Krausz	Director
Darryl C. Towns	Director

William J. Mulrow opened and chaired the meeting of the Mortgage Insurance Committee of the State of New York Mortgage Agency ("SONYMA"). Chairman Mulrow announced that Ted Houghton, who joined HCR as Executive Deputy Commissioner in September 2014, after eight years as leader of the Supportive Housing Network of New York, was present representing President Towns.

Mr. Anthony Bergamo, SONYMA Director, attended the meeting as a guest.

M. Lauren McGill, Vice President and Counsel to the Mortgage Insurance Fund (MIF) acted as Secretary. She noted that Marge Rogatz was attending via video conference from the office of Expedia at 325 Duffy Avenue, Hicksville, NY. A public notice was given of the time and location of the venue in accordance with the New York State Open Meetings Law.

Ms. McGill asked for a motion and second to call the meeting to order. Chairman Mulrow moved to call the meeting to order; Ms. Rogatz seconded the motion.

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 Mortgage Insurance Committee (MIC) held on September 11, 2014. 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 \$15,410,000 HFA permanent first mortgage loan for Marien-Heim Tower Senior Apartments, 870 Ocean Parkway, Brooklyn, Kings County. Mr. 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. He noted that in addition to the insured New York State Housing Finance Agency ("HFA") first mortgage loan, the project will benefit from \$17,005,970 in federal low-income housing tax credits ("LIHTC").

Mr. Friedman stated that, since its construction in 1975, the project has been owned and controlled by the same not-for-profit corporation, Marien-Heim Tower, Inc. He stated that the rehabilitation includes installation of new windows, boilers, hot water heaters, kitchens and bathrooms, security cameras and common area upgrades as well as extensive façade and balcony restoration in compliance with Local Law 11 requirements from the New York City Building Code. He also stated that the loan amount is \$84,670 per unit which equals only 31% of the project's total development cost of approximately \$275,000 per unit and that the project will break even with a 13% vacancy and collection loss or a 16% increase in operating expenses.

Ms. Rogatz asked for confirmation that the residents will stay in place during the work. Mr. Friedman confirmed that this project was a moderate rehabilitation project where tenants will stay in place.

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 MARIEN-HEIM TOWER SENIOR APARTMENTS, 870 OCEAN PARKWAY, BROOKLYN, KINGS COUNTY

The next item on the Agenda was a resolution recommending the approval of 100% mortgage insurance on a \$9,755,000 HFA permanent first mortgage loan for Dorado Apartments, 160 Warburton Avenue, Yonkers, Westchester 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 substantial rehabilitation of a fully-occupied, 17-story elevator apartment building containing 189 units and a two-story parking garage with 116 spaces. He stated

that twenty-four (24) units are occupied by households with income over 80% of the Area Median Income but the project is in compliance with Mitchell-Lama requirements.

Mr. Friedman stated that as part of the United States Department of Housing and Urban Development's ("HUD") Rental Assistance Demonstration, the project has received a project based Section 8 contract. He stated that, in addition, the project will benefit from a \$3.5 million HFA Mitchell-Lama Subsidy Loan, \$9.5 million of existing HFA/ESD debt, \$11.5 million in federal LIHTC and a PILOT with the City of Yonkers IDA.

Mr. Friedman stated that the development entity is controlled by Beacon Communities Corp., a well-known developer of residential real estate.

Mr. Friedman stated that the project will break even with a 7% increase in operating expenses or a 10% 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 RECOMMENDING APPROVAL OF MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR DORADO APARTMENTS, 160 WARBURTON AVENUE, YONKERS, WESTCHESTER COUNTY

The next item on the Agenda was a resolution recommending approval of 100% mortgage insurance on a \$3,360,000 HFA permanent first mortgage loan for Spa Apartments, 11 East Main Street, Clifton Springs, Ontario 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 is comprised of the moderate rehabilitation of a Mitchell Lama project consisting of 109 low-income units. He stated that tenants will remain in place during the rehabilitation work. Mr. Friedman stated that the project benefits from a \$2.6 million HFA Subsidy loan, approximately \$3 million in federal LIHTC, \$3 million in federal and state historic tax credits and a PILOT with the Town of Manchester.

Mr. Friedman noted that the project was originally constructed in 1892 as a sanitarium and later converted into senior housing under the Mitchell-Lama program in 1974. He directed the Directors to the photo on the project in the materials. He further stated that this is the second HFA loan that SONYMA will insure for Rochester Cornerstone Group.

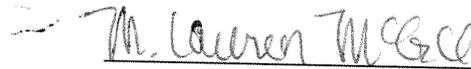
Mr. Friedman reported that the loan amount is \$31,000 per unit but equals 22% of the project's total development cost and that the project will break even with a pro forma 8% vacancy and collection loss or a 10% increase in operating expenses.

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 SPA APARTMENTS, 11 EAST MAIN STREET, VILLAGE OF CLIFTON SPRINGS, TOWN OF MANCHESTER, ONTARIO COUNTY

The last item on the Agenda was an information item. Chairman Mulrow asked if there was anything to report on the mortgage recording surtax receipts. Mr. Friedman reported that the surtax collection in September was approximately \$13 million.

There being no unfinished business, Chairman Mulrow moved to adjourn the meeting. Ms. Rogatz seconded the motion and the meeting was adjourned at 8:23 a.m.



M. Lauren McGill
Secretary