

**MINUTES OF THE
REGULAR MEETING OF THE MORTGAGE INSURANCE COMMITTEE OF
THE STATE OF NEW YORK MORTGAGE AGENCY
HELD ON JUNE 12, 2014 AT 8:00 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

Moses Krausz	Director
Marge Rogatz	Director
Darryl C. Towns	Director

ABSENT:

William J. Mulrow	Chairman
Naomi Bayer	Director

Commissioner Darryl C. Towns, as Acting Chairman, opened and chaired the meeting of the Mortgage Insurance Committee of the State of New York Mortgage Agency ("SONYMA").

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

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; Ms. Marge 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 June 12, 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 \$17,970,000 HFA permanent first mortgage loan for Linwood-Allentown Preservation: 10 building scattered site project in Buffalo, Erie 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 noted that the insured mortgage amount had increased from \$16,900,000 to \$17,970,000 so the Directors' folders contained revised Exhibits A and B to the Memorandum and a revised resolution reflecting the increased loan amount. Mr. Friedman noted that the HFA subsidy loan had decreased to \$3 million. He stated that, with the increased loan amount, the income to expense ratio is 1.08 and the loan to value ratio is 80%.

Mr. Friedman stated that the Linwood-Allentown Project comprises the moderate rehabilitation of 296 all low-income units. He stated that a Section 8 HAP contract will cover all units and will further restrict incomes to households with incomes below 50% of the AMI.

Mr. Friedman stated that, in addition to the insured first mortgage, the project benefits from a \$3 million subsidy loan from HFA, \$10 million in federal low-income housing tax credits and \$4 million in federal and state historic tax credits.

Mr. Friedman stated that the insured loan amount is \$57,000 per unit which equals only 40% of the project's total development cost of \$142,000 per unit. He stated that the development team is a very experienced. Mr. Bergamo inquired about the members of the development team and Mr. Friedman stated that the principals are Aaron Siegel, Brett Fitzpatrick and Robert Morgan.

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 LINWOOD-ALLENTOWN PRESERVATION, 279 NIAGARA STREET ET AL, BUFFALO, ERIE COUNTY.

The next item on the agenda was a resolution approving **100% mortgage insurance on a \$3,850,000 HFA permanent first mortgage loan for New York Rural**

Preservation: Seven developments in Saratoga Worthington, Clinton, Oswego and Delaware Counties. 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 rehabilitation of seven developments with a total of 218 units of which 209 are restricted to households with incomes at or below 60% of AMI and 9 are restricted to households at or below 80% of AMI. He stated that all units are rent subsidized by USDA Rural Assistance, Rural Rental Assistance Program or a Project-Based Section 8 contract.

Mr. Friedman stated that the development entity is controlled by Conifer, a repeat and well-regarded HFA and SONYMA borrower, and its affiliates. Mr. Friedman further stated that the insured loan amount is only \$17,000 per unit which equals only 17% of the project's total development cost of \$104,666 per unit and that the project will break even with a 9% vacancy rate 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 APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR NEW YORK RURAL PRESERVATION, MEADOWVIEW APARTMENTS II AND III, 12 MEADOWVIEW, CENTRAL SQUARE ET AL, OSWEGO, SARATOGA, WASHINGTON, CLINTON AND DELAWARE COUNTIES.

The next item on the agenda was a resolution recommending approval of 50% mortgage insurance on a \$21,280,000 NYC HDC permanent first mortgage loan for PRC Monterey Avenue, 555 and 547 East 178th Street et al, 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 stated that this project comprises the moderate rehabilitation (with tenants in place) of 330 all low-income units which will be restricted to tenants with incomes at or below 60% of the New York City AMI. He stated that the project will consolidate two existing Housing Assistance Payment ("HAP") contracts into a new 20-year HAP contract for all units.

Mr. Friedman stated that the development entity, Property Resources Corporation ("PRC"), was founded in 1971 and has developed over 5,000 units of affordable housing. This will be the third HDC loan that SONYMA has insured with PRC as the development entity.

Mr. Friedman stated that the insured loan amount is \$64,485 per unit but only equals

37% of the project's total development cost of \$173,962 per unit. He stated that the project breaks 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 PRC MONTEREY AVENUE, 555 AND 547 EAST 178TH STREET, ET AL, BRONX, BRONX COUNTY.

The next item on the agenda was a resolution approving 50% mortgage insurance on a \$12,430,000 NYC HDC permanent first mortgage loan for The Henry Apartments, 1674-84 Broadway and 768-70 Decatur, 1696-1712 Broadway, 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 new construction and development of 134 all low-income units. He stated that a Section 8 HAP contract will cover 106 supportive housing units which will further restrict incomes to households with incomes below 50% or less of AMI.

Mr. Friedman stated that the development entity includes Alembic Development Company, LLC. He stated that their partner is SUS-Mental Health Programs, Inc., an affiliate of Services for the Underserved, which will provide supportive services under a contract with NYS OMH.

Mr. Friedman further stated that the loan amount is approximately \$93,000 per unit but equals only 20% of the project's total development cost of \$452,592 per unit. He stated that in addition to the insured first mortgage of \$12 million, the project will benefit from an HDC subsidy loan of approximately \$9 million and approximately \$24 million in low-income housing tax credits.

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 HENRY APARTMENTS, 1674-84 BROADWAY AND 768-70 DECATUR, 1696-1712 BROADWAY, BROOKLYN, KINGS COUNTY.

Mr. Friedman directed the Directors to materials included in their folders which identifies the twenty five borrowers to which the MIF has the highest exposure. He reported that the aggregate exposure in policies in force and commitment to those borrowers is \$1.27 billion against total liability of approximately \$4.1 billion which represents a low concentration of risk. He noted that the MIC earlier approved mortgage insurance on loans to two borrowers on the list - Conifer and PRC with exposure of \$85 million and \$68 million, respectively.

There being no unfinished business, Commissioner Towns moved to adjourn the meeting, Ms. Rogatz seconded the motion and the meeting was adjourned at 8:12 a.m.


M. Lauren McGill
Secretary