

**MINUTES OF THE
REGULAR MEETING OF THE
MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD SEPTEMBER 11, 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
Darryl C. Towns	Director
Moses Krausz	Director
Marge Rogatz	Director

William J. Mulrow 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 the 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. Ms. Rogatz moved to call the meeting to order; Commissioner Towns 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 July 10, 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 \$15,650,000 HFA permanent first mortgage loan for La Porte Apartments, 203 Gramatan Avenue, Mt. Vernon, Westchester County. Ms. McGill

highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. She noted that the project comprises the construction of a 14-story building in Mount Vernon, NY which will include 158 low income units, ground floor commercial space and a municipal parking garage. She stated that the project will contain separate residential, commercial and municipal parking condominium units; the insured permanent loan will finance only the residential unit.

Ms. McGill stated that, in addition to the insured New York State Housing Finance Agency ("HFA") loan, the project will also benefit from \$24,309,290 from federal low income housing tax credits ("LIHTC"), a \$3.7 million HFA subordinate low-interest loan, a \$3 million New York State Senate loan, a \$2 million Homes for Working Families loan, a \$1.5 million HOME loan from the City of Mount Vernon, a \$1.6 Community Development Block Grant and a PILOT with the City of Mt. Vernon.

Ms. McGill stated that the borrowing entity is controlled Peter Fine and Ken Knuckles. She noted that Mr. Fine is a principal of Atlantic Development which has previously developed projects financed by HFA and insured by the MIF. She stated that the insured loan amount is approximately \$98,000 per unit which equals only 27% of the project's total development cost of approximately \$363,000 per unit and that the project will break even with an 11% increase in operating expenses or a 9% 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 LA PORTE APARTMENTS, 203 GRAMATAN AVENUE, MOUNT VERNON, WESTCHESTER COUNTY

The next item on the Agenda was a resolution recommending the approval of 100% mortgage insurance on a \$7,950,000 HFA mortgage loan for StuyPark Apartments, 77 New York Avenue, Brooklyn, Kings County. Ms. McGill highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Ms. McGill reported that the project comprises the acquisition, and rehabilitation of a Mitchell Lama building in the Crown Heights section of Brooklyn including 102 low income units for seniors. She noted that the project was originally financed by HFA under the Mitchell-Lama Program and that its original not-for-profit developer will remain in the project ownership.

Ms. McGill stated that as part of the United States Department of Housing and Urban Development's ("HUD") Rental Assistance Demonstration program, it is anticipated that the project will receive a 20-year HUD Housing Assistance Program contract for 101 units. She stated that, in addition, the project will benefit from \$7.6 million in federal LIHTC and an Article 11 tax

abatement. She note that the project also benefits from a \$270,000 Interest Reduction Payment Subsidy from HUD which will expire prior to permanent conversion.

Ms. McGill stated that the R. Christopher Bramwell and Benathen Upshaw will control the managing member. The project will be managed by Shinda Management Corporation in which Mr. Bramwell has an interest.

Ms. McGill stated that the insured loan amount is \$77,185 per unit which equals 30% of the project's total development cost of \$258,371 per unit and that the project will break even with a 10% increase in operating expenses or an 11% vacancy rate.

Ms. Rogatz noted that the building is fully occupied and asked about relocation plans during rehabilitation. Ms. McGill responded that she did not have details but an appropriate plan would be in place and any associated expenses incorporated in the financing structure.

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 STUY PARK APARTMENTS, 77 NEW YORK AVENUE, BROOKLYN, KINGS COUNTY.

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$4,700,000 HFA permanent first mortgage loan for Hudson Art House Lofts, 621 River Street, Troy, Rensselaer County. Ms. McGill highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Ms. McGill stated that this project comprises the historic re-adaptation of a vacant commercial building in Troy, NY. She stated that pursuant to HFA's bond financing, 72 units will be restricted to households with incomes at or below 60% of AMI (Area Median Income) and eight units will be restricted to households with incomes at or below 90% of AMI, both adjusted by household size.

Ms. McGill noted that the building, which was built in 1895, was one of the original manufacturers of shirt and coat collars in the country. She stated that the project will provide art-focused amenities including painting studios, a performing arts room, a pottery studio, computer lab, wood shop and an art gallery in the 18,303 square foot basement.

Ms. McGill reported that the project is supported by \$5 million in federal LIHTC, \$3.6 million in state LIHTC, \$5 million from federal and state historic tax credits and a PILOT Agreement with the Troy Industrial Development Authority. She stated that the developer, The Vecino Group, is based in Missouri and is new to both HFA and SONYMA.

Ms. McGill stated that the loan amount is \$58,750 per unit but equals only 24% of the project's total development cost of approximately \$240,000 per unit; the project will break even with an 11% vacancy or a 13% 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 HUDSON ART HOUSE LOFTS, 21 RIVER ROAD, TROY, RENSSELAER COUNTY

The next item on the Agenda was a resolution approving 50% mortgage insurance on an \$8,395,000 HDC permanent first mortgage loan for Sam Burt Houses, 2675 West 36th Street, Brooklyn, Kings County. Ms. McGill highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Ms. McGill stated that this project comprises the rehabilitation of a New York City Housing Development Corporation ("HDC") Mitchell Lama cooperative project comprising a 13-story building and 24 townhouses in Brooklyn, NY. She noted that the project is located four blocks from the ocean and was damaged in Superstorm Sandy but that storm related repairs had been completed. Ms. McGill stated that the cooperative's Board of Directors approved a 63.5% increase in maintenance charges to be implemented over three years beginning in 2014. She stated that the project's last maintenance increase was in 2009 and that maintenance for 2013 averaged around 40% of AMI, generating insufficient funds to meet its operating costs.

Ms. McGill stated that the insured loan will cover project rehabilitation including roof, balcony, façade and elevator repairs. Additional funding through New York City's Build it Back and PERL programs and a Reso A loan are expected to fund additional repairs and energy efficiency upgrades. She noted that a \$2,250,000 subordinate loan from HDC will pay off existing HPD and HDC loans. The project will also benefit from shelter rent.

Ms. McGill stated that the election of a new Board of Directors in 2012 and the appointment of a new managing agent opened the way to the rehabilitation and refinancing. The project is managed by Metro Management which is in good standing with HDC. She further noted that the loan amount is \$57,109 per unit and equals 72% of the project's rehabilitation cost of \$72,415 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 APPROVING MORTGAGE

**INSURANCE AND A COMMITMENT FOR SAM BURT HOUSES, 2675 WEST
36TH STREET, BROOKLYN, KINGS COUNTY**

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$3,000,000 Bank of America permanent first mortgage loan for Locust Manor Family Residence II, 172nd Street and Bailey Boulevard, Jamaica, Queens County. Ms. McGill highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Ms. McGill noted that the project comprises new construction of a 54-unit low-to-moderate income apartment building in Jamaica, Queens. She stated that 45 units will be at or below at 60% AMI and 8 units will be at 80% AMI, all adjusted by family size.

Ms. McGill noted that nine units will be set aside as Americans with Disabilities Act accessible units and nine will be set aside for victims of domestic violence with Allen Women's Resource Center providing onsite social services.

Ms. McGill stated that in addition to the insured first mortgage, the project will benefit from \$9.3 million in federal LIHTC, \$2.8 million from state LIHTC, and a 421-a tax abatement for a 25-year term. A project based Section 8 contract will cover eight units. Ms. McGill stated that the project breaks even with a 7% increase in operating expenses or a 10% vacancy rate.

Ms. McGill stated that that this will be the third mortgage insured for D&F Development Group, LLC whose principals are Leonard D'Amico and Peter Flory.

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 LOCUST MANOR FAMILY
RESIDENCE II, 172ND STREET AND BAILEY BOULEVARD, JAMAICA,
QUEENS COUNTY**

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$2,975,000 Bank of America permanent first mortgage loan for Brooke Pointe, 94-158 Gibson Boulevard, Valley Stream, Nassau County. Ms. McGill highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Ms. McGill noted that Brooke Pointe is very similar in structure to Locust Manor. She reported that the project is located in Valley Stream and represents the new construction of a 39-unit low to moderate income building including 29 units at or below 60% of AMI, 8 units at 80% of AMI and 2 units at 90% of AMI, all adjusted by family size. She noted that six units will be set aside for tenants with physical disabilities and two units will be set

aside for tenants with vision or hearing disabilities with supportive services to be provided by Long Island Center for Independent Living.

Ms. McGill stated that the project will also benefit from \$7.2 million in federal LIHTC, \$4.4 million in state LIHTC, a \$915,000 HOME loan and a PILOT Shelter Rent agreement from the Town of Hempstead IDA.

Ms. McGill reported that a Phase I Environmental Site Assessment report had uncovered soil contamination; a Phase II was underway to determine the extent of the contamination and the cost of any required remediation.

Ms. McGill noted that the loan amount is approximately \$76,000 per unit which equals 19% of the project's total development cost of \$408,028 per unit and will break even with a 10% vacancy or a 9% increase in operating expenses.

Ms. Rogatz noted that the project is located very near the Long Island Railroad station in Valley Stream.

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 BROOKE POINTE, 94-158 GIBSON BOULEVARD, VALLEY STREAM, NASSAU COUNTY

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$2,800,000 CPC permanent first mortgage loan for Golden Ridge, Rock Ridge Drive and Route 42, Town of Thompson, Sullivan County. Ms. McGill highlighted certain information contained in the materials provided to the Directors in connection with this item, which materials are incorporated herein by reference. Ms. McGill stated that this project comprises the new construction of two buildings which will contain a 81 low-income units including 20 supportive housing units reserved for clients of the New York State Office of Mental Health ("OMH"). She stated that the project is Phase I of an approved multi-phase development which will cover 51 acres and include 350 housing units.

Ms. McGill reported that OMH will provide 100% of the debt service together with rent subsidies and support services for the supportive units through a contract with Occupations, Inc.

Ms. McGill stated that the project benefits from \$12 million in federal LIHTC, a \$2.8 million Housing Trust Fund loan, a \$160,000 New York State Energy Research and Development Authority grant and a PILOT agreement with the Town of Thompson.

Ms. McGill reported that the developer is Jonah Mandelbaum, a repeat CPC/SONYMA borrower. She stated that total exposure to the developer, including this loan, is \$31 million. She further noted that the project is the third project with Occupations, Inc. as the OMH service provider.

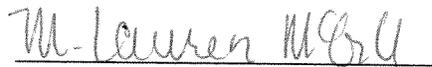
Ms. Rogatz and Chairman Mulrow noted the geographic breadth of projects on the agenda with projects coming from Rensselaer, Sullivan, Westchester, Queens, Brooklyn and Nassau Counties, as well as the mix of projects including supportive housing, low to middle income and historic readaptation.

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 GOLDEN RIDGE, ROCK RIDGE DRIVE AND ROUTE 42, TOWN OF THOMPSON, SULLIVAN COUNTY.

The last item on the Agenda was an information item. Chairman Mulrow asked if there was anything to report on the mortgage recording tax. Ms. McGill stated that the mortgage recording tax surcharge receipts figures remain stable through August at approximately \$12 million.

There being no unfinished business, Ms. Rogatz moved to adjourn the meeting, Commissioner Towns seconded the motion and the meeting was adjourned at 8:22 a.m.



M. Lauren McGill
Secretary