

**MINUTES OF THE
REGULAR MEETING OF THE
MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD SEPTEMBER 10, 2015 AT 8:08 AM
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

William C. Thompson Chairman

James S. Rubin Director

ABSENT:

Marge Rogatz Director

Chairman William Thompson 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. Commissioner Rubin moved to call the meeting to order; Chairman Thompson 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.

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 July 7, 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 approving 100% mortgage insurance on a \$13,900,000 HFA permanent first mortgage loan for 2264 Morris 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 stated that the project comprises the development of 94 units including 31 special needs units reserved for clients of the New York State Office of Mental Health (OMH), 48 low-income units and 14 moderate-income units.

Mr. Friedman stated that the development entity is comprised of Services for the Underserved, an experienced provider of mental health services, and Bronx Pro, an experienced developer of affordable housing. He added that this will be the fourth loan for entities controlled by Services for the Underserved or Bronx Pro with total exposure of approximately \$50 million.

Mr. Friedman stated that the insured loan amount is approximately \$148,000 per unit and equals 30% of the project's total development cost of approximately \$491,000 per unit. He stated that the project will break even with an 11% 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
RECOMMENDING APPROVAL OF MORTGAGE INSURANCE AND A
COMMITMENT FOR THE PROVISION THEREOF FOR 2264 MORRIS
AVENUE, BRONX, BRONX COUNTY**

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$7,000,000 CPC permanent first mortgage loan for The Mews at Hopewell Junction, Route 376, East Fishkill, Dutchess 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 development of 89 units including 23 supportive housing units reserved for clients of the New York State Office for People with Developmental Disabilities (OPWDD), 57 low-income units, 4 very low-income units and 4 moderate-income units.

Mr. Friedman stated that the development entity is controlled by Ken and Sean Kearney, repeat Community Preservation Corporation (CPC) and SONYMA borrowers. He added that Abilities First is an experienced OPWDD service provider. He added that this will be the first loan insured with Abilities First but the sixth loan insured for the Kearneys for total exposure of \$15 million

Mr. Friedman noted that the loan amount is approximately \$79,000 per unit which equals 33% of the project's total development cost of approximately \$241,000 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 THE APPROVAL OF MORTGAGE INSURANCE
AND A COMMITMENT FOR THE PROVISION THEREOF FOR THE
MEWS AT HOPEWELL JUNCTION, ROUTE 376, EAST FISHKILL,
DUTCHESS COUNTY**

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$3,300,000 CPC permanent first mortgage loan for Temple Hill Apartments I, 324 Temple Hill Road, New Windsor, 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 noted that this project comprises the development of 91 units including 15 units that will be reserved for clients of OPWDD and 75 low-income units.

Mr. Friedman stated that the developer entity will be controlled by Jonah Mandelbaum, a repeat CPC and SONYMA borrower. He noted that this will be the nineteenth loan for entities controlled by Jonah Mandelbaum for total exposure of \$35 million.

Mr. Friedman noted that the insured loan amount is approximately \$36,000 per unit which equals 17% of the project's total development cost of \$211,028 per unit. He added that the project will break even with a 10% pro forma increase in operating expenses or a 14% vacancy rate.

Commissioner Rubin inquired whether the loans with Mr. Mandelbaum were all currently outstanding loans. Mr. Friedman explained that the current loans consist of both policies in force and commitments to insure.

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 TEMPLE HILL APARTMENTS I, 324
TEMPLE HILL ROAD, NEW WINDSOR, ORANGE COUNTY**

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$2,575,000 CPC permanent first mortgage loan for Peekskill Art Lofts, 801-817 Central Avenue, 802-804 and 812-816 South Avenue, Peekskill, 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 this project comprises the refinancing of an existing \$2 million JPMorgan Chase, SONYMA-insured loan that was originated in 2002 to finance a limited equity coop for artists. He noted that units are large and provide residents with both living and studio space; they are reserved for residents who make their living from the arts and earn up to 90% of the Westchester AMI. He noted that the refinancing will reduce debt service and provide \$550,000 to fund repair and replacement work including new roofs, façade work, parking lot and sidewalk replacements and exterior stairway replacement.

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 PEEKSKILL ART LOFTS, 801-817
CENTRAL AVENUE, 802-814 AND 812-816 SOUTH AVENUE,
PEEKSKILL, WESTCHESTER COUNTY**

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$4,825,955 Wells Fargo Bank, N.A. permanent mortgage loan for Essex Crossing Site 6, 175 Delancey Street, New York 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 reported that this project comprises the development of 100 senior units for persons 55 and over with 15 units restricted to tenants with incomes at or below 40% of AMI, 74 units restricted to tenants with incomes at or below 60% of AMI and 10 units restricted to tenants with incomes at or above 80% of the AMI. He added that, in addition to the insured first mortgage, the project will benefit from both federal and state low-income housing tax credits. Mr. Friedman stated that the project is located south of Delancey Street on the approach to the Williamsburg Bridge.

Mr. Friedman stated that the development entity is controlled by L&M Development Partners, BFC Partners and Taconic Investment Partners, all three of which are experienced developers of affordable housing and repeat New York State Housing Finance Agency and SONYMA MIF clients.

Mr. Friedman stated that the loan amount is approximately \$48,000 per unit and equals only 15% of the project's total development cost of approximately \$316,000 per unit. He stated that the project breaks even with an 8% increase in operating expenses, or a 10% residential vacancy rate.

Commissioner Rubin asked if the 8% operating increase break-even was unusual narrow. Mr. Friedman stated that it occurs on projects where the rent is low and the operating expenses are relatively high.

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 ESSEX CROSSING SITE 6, 175 DELANCEY STREET, NEW YORK COUNTY

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$3,314,000 LIIF permanent first mortgage loan for 31-33, 39-41 and 51-53 West 129th Street, Manhattan, New York 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 substantial rehabilitation of 69 low-income units which will convert to cooperative ownership. He noted that all current residents have incomes below 50% of AMI and vacant apartments will be restricted to households with incomes up to 125% of AMI.

Mr. Friedman stated that the project is an HPD PLP project which will benefit from a \$12.8 million HPD subsidy loan and an Article XI real estate tax abatement; Section 8 tenant-based vouchers will be available to tenants at 50% of AMI. The insured loan amount is approximately \$48,000 per unit and equals only 20% of the project's total development cost of \$233,501 per unit. He stated that the project will break even with a 10% vacancy and collection loss or a 7% increase in operating expenses.

Mr. Friedman stated that the development entity is controlled by Lemle & Wolff, an experienced developer and owner/operator of affordable housing. He added that the loan is the thirteenth loan insured for entities controlled by Lemle & Wolff for total exposure of \$38 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 31-33, 39-41 AND 51-53 WEST 129TH STREET, MANHATTAN, NEW YORK COUNTY

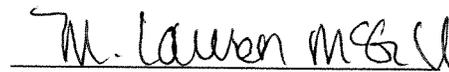
The next item on the agenda was a resolution approving resolution approving a \$440,000 increase in 100% mortgage insurance on a \$5,280,000 CPC permanent first mortgage loan for Creekside Springs, Franklindale and Creek Road, Wappinger Falls, Dutchess County. Mr. Friedman highlighted certain information 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 comprises a \$440,000 increase in a loan that the SONYMA MIF committed to insure in September 2012. He stated that the MIC originally approved issuance of a Commitment to Insure to CPC for 100% mortgage insurance on a \$4,800,000 permanent first mortgage loan; the loan amount was increased to \$5,280,000. He stated CPC has now requested an additional \$440,000 increase in the permanent first mortgage loan to \$5,720,000 to cover increased development costs resulting from the addition of three additional affordable units to the project at the request of the Village of Wappinger Falls.

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
MODIFICATIONS TO MORTGAGE INSURANCE AND A
COMMITMENT FOR THE PROVISION THEREOF FOR CREEKSIDE
SPRINGS, FRANKLINDALE AND CREEK ROAD, WAPPINGER FALLS,
DUTCHESS COUNTY**

The last item on the agenda was an information item. Mr. Friedman reported that the mortgage recording tax collections in July were \$14.2 million and in August were \$18 million. Chairman Thompson asked how that compared with the previous year. Mr. Friedman stated that in July 2014 the collections were \$12.2 million and in August 2014 they were \$13 million so they are on a good trajectory. Commissioner Rubin asked if there are notable monthly patterns. Mr. Friedman responded that the increases seem to correspond to months of high commercial mortgage activity in New York City.

There being no unfinished business, Commissioner Rubin moved to adjourn the meeting which was duly seconded by Chairman Thompson; the meeting was adjourned at 8:24 a.m.



M. Lauren McGill
Secretary