

**MINUTES OF THE
REGULAR MEETING OF THE
MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD DECEMBER 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
Moses Krausz	Director
Marge Rogatz	Director (via video conference)
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").

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. Marge Rogatz moved to call the meeting to order; Commissioner Towns seconded the motion.

Ms. McGill noted that Ms. Rogatz was attending via videoconference from the office of Expedia at 325 Duffy Avenue, Hicksville, New York. 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 Mortgage Insurance Committee (MIC) held on November 6, 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 50% mortgage insurance on a \$15,200,000 New York City Housing Development Corporation ("HDC")

permanent first mortgage loan for PIO Mendez/VIP Homes, 1291 Lafayette Avenue & 1876 Belmont Avenue, Bronx County. 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 stated that the project comprises the rehabilitation of two buildings with a total of 184 low-income units for seniors.

Mr. Friedman stated that in addition to the insured mortgage of \$15.2 million, there will be \$17.4 million in federal low-income housing tax credits ("LIHTCs"). He stated that the project has two 20-year project-based Section 8 Housing Assistance Payment ("HAP") Contracts covering all units that will expire in 2032.

Mr. Friedman noted that the loan amount is approximately \$82,000 per unit but equals only 32% of the project's total development cost of \$256,349 per unit. Additionally, the project will break even with a 10% vacancy and collection loss or an 8% 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 PIO MENDEZ/VIP HOMES, 1291 LAFAYETTE AVENUE & 1876 BELMONT AVENUE, BRONX, BRONX COUNTY

The next item on the Agenda was a resolution approving 50% mortgage insurance on a \$11,410,000 HDC permanent first mortgage loan for Park House, 4275 Park Avenue, 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 reported that the project is comprised of the construction of 248 all low-income units; twenty units will be reserved for New York State Office of Mental Health ("OMH") clients. He noted that OMH will enter into two 30-year contracts with Common Ground to pay approximately \$390,029 in annual debt service on the mortgage loan, rent payments of approximately \$128,000 per annum in addition to funding support services.

Mr. Friedman stated that this is a very heavily-subsidized project with a \$16.1 million HDC second mortgage loan, a \$17.4 million New York City Department of Housing Preservation and Development ("HPD") third mortgage loan and \$36.7 million in federal LIHTCs. He stated that the development entity, Common Ground Community HDFC, is an experienced and well-regarded developer of supportive and affordable housing. He noted that the loan amount is \$46,000 per unit and equals only 13% of the project's total development cost of \$349,992 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 THE PROVISION THEREOF FOR
PARK HOUSE, 4275 PARK AVENUE, BRONX, BRONX COUNTY**

The next item on the Agenda was a resolution recommending approval of 100% mortgage insurance on a \$19,432,764 Wells Fargo Bank, N.A. permanent first mortgage loan for 540 West 53rd 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. Mr. Friedman reported that this project comprises the construction of a 12-story building which will contain 103 moderate and middle-income households. He noted that the project benefits from a \$6.7 million HPD subordinate loan, \$525,000 in Resolution A funds, a \$103,000 NYSEDA grant and an Article XI tax abatement. Mr. Friedman stated that Clinton Housing Development Company, a not-for-profit developer, was founded in 1973 to rehabilitate and preserve affordable housing in the Hell's Kitchen/Clinton neighborhood.

Mr. Friedman stated that the loan amount is approximately \$188,000 per unit but only equals 37% of the project's total development cost of approximately \$516,000 per unit; the project will break even with a 23% increase in operating expenses or a 12% vacancy rate. He stated that the project's development costs are relatively high but noted that there is significant equity from the sale of development rights, inclusionary rights and the commercial condominium unit offsetting concern about the development costs.

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 540 WEST 53RD STREET, MANHATTAN, NEW
YORK COUNTY**

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$3,350,000 Bank of America permanent first mortgage loan for 333 Lenox Road, 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. Mr. Friedman reported that the project is comprised of the construction of one building with 58 low-income units for seniors. He noted that in addition to the insured mortgage of \$3.4 million, the project will receive \$14.5 million in LIHTCs, 420c real estate tax benefits and a project based Section 8 contract covering 8 units. He stated that Selfhelp, a repeat HFA and SONYMA borrower, is an experienced service provider and developer of affordable housing. Mr. Friedman added that the loan amount is approximately \$58,000 per unit but equals only 18% of the project's total development costs; the project will break even with a 10% vacancy and collection loss or a 9% 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 333 LENOX ROAD, BROOKLYN, KINGS COUNTY

The next item on the Agenda was a resolution recommending approval of 100% mortgage insurance on a \$23,080,000 CPC permanent first mortgage loan for 201-216 West 140th Street and 19 other scattered site buildings in Harlem, 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. Mr. Friedman reported that this project is comprised of the rehabilitation of 399 units and seventeen retail spaces; the residential units will be affordable to households with incomes at or below 120% of the Area Median Income ("AMI"). He stated that the project will be regulated by HPD through a regulatory agreement.

Mr. Friedman stated that the development entity, Harlem Congregations for Community Improvement, Inc. ("HCCI") is an experienced owner/operator of affordable housing. He noted that this is the third loan insured by SONYMA for HCCI.

Mr. Friedman stated that the loan amount is approximately \$58,000 per unit but equals only 42% of the project's total development cost of approximately \$137,000 per unit; the project will break even with a 10% vacancy and collection loss and an 8% increase in operating expenses or 63% of the commercial space vacant.

Chairman Mulrow noted that the project has low loan to value and liability to value ratios. Mr. Friedman confirmed that the ratios are lower than is often seen. Ms. Rogatz noted the availability for rental of four and five-bedroom apartments for families.

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 201-216 WEST 140TH STREET AND 19 SCATTERED SITE BUILDINGS, HARLEM, NEW YORK COUNTY

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$6,642,119 CPC first mortgage loan for 1920 Union Street and 8 other scattered site buildings in 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. Mr. Friedman reported that the project is comprised of moderate rehabilitation of nine

buildings with a total of 214 units and one retail space; rents will be regulated by HPD through a regulatory agreement.

Mr. Friedman stated that the project will be subsidized by a \$6.2 million HPD subsidy loan, \$17.5 million from federal LIHTCs and 420c tax benefits. He stated that the project is being developed by Northeast Brooklyn Housing Development Corporation working with Michael Rooney and Nicola DeAcetis, repeat CPC and SONYMA borrowers.

Mr. Friedman noted that the project will break even with a 10% vacancy and collection loss or a 7% increase in operating expenses; depending on the ratio of operating expenses to debt service, it sometimes results in relatively lower rents.

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 1920 UNION STREET AND EIGHT SCATTERED SITE BUILDINGS, BROOKLYN, KINGS COUNTY

The next item on the Agenda was a resolution recommending approval of 100% mortgage insurance on a \$10,500,000 CPC permanent mortgage loan for 371 North Avenue, New Rochelle, 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 is comprised of the construction of a four-story elevator building with 48 units and 44 parking spaces. He stated that 10% of the units will be income restricted at 80% of the Westchester County AMI. He noted that the project will benefit from sales tax exemptions and a partial real estate tax abatement and will be subject by a PILOT agreement with the New Rochelle IDA.

Mr. Friedman stated that the project is being developed by Ralph Rossi and Attilio Rossi, new SONYMA borrowers; all of the requisite background and credit checks had been performed.

Mr. Friedman stated that the loan amount is \$218,750 per unit and equals 80% of the project's total development costs of \$274,815 unit. The project breaks even with a 42% increase in operating expenses or a 19% 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 371 NORTH AVENUE, NEW ROCHELLE, WESTCHESTER COUNTY

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$3,200,000 CPC permanent mortgage loan for Pawling Senior Housing, 11 Akindale Road, Pawling, 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 project is comprised of the development of 80 low-income units for seniors.

Mr. Friedman stated that in addition to the insured mortgage of \$3.2 million, the project will benefit from a \$2.8 million subordinate Housing Trust Fund loan, a \$295,000 subordinate Dutchess County HOME loan and \$11.3 million from LIHTC. He stated that the project is being developed by Kenneth Kearney and Sean Kearney, repeat CPC and SONYMA borrowers.

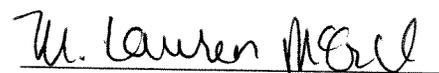
Mr. Friedman stated that the loan amount is \$39,506 per unit and equals only 18% of the project's total development cost of approximately \$220,000 per unit. He stated that the project will break even with a 14% increase in operating expenses or a 13% vacancy rate.

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 APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR PAWLING SENIOR HOUSING, 11 AKINDALE ROAD, PAWLING, DUTCHESS COUNTY

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

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



M. Lauren McGill

Secretary