

**MINUTES OF THE  
REGULAR MEETING OF THE  
MORTGAGE INSURANCE COMMITTEE OF THE  
STATE OF NEW YORK MORTGAGE AGENCY  
HELD MARCH 12, 2015 AT 8:00 AM  
AT ITS OFFICES AT 641 LEXINGTON AVENUE  
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

Moses Krausz	Director
Marge Rogatz	Director (via video conference)
Darryl C. Towns	Director

M. Lauren McGill, Vice President and Counsel to the Mortgage Insurance Fund (MIF) stated that, since Chairman William J. Mulrow has resigned from the various Boards, Darryl C. Towns will preside over the meeting.

Ms. McGill acted as Secretary and asked for a motion and second to call the meeting to order. Ms. 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 ACT Conferencing at 102 3<sup>rd</sup> Street, Mineola, NY 11501. A public notice was given of the time and location of the venue in accordance with the New York State Open Meetings Law.

Mr. Christopher Curtis, Deputy State Treasurer, in his role as designee for Commissioner Mattox, New York State Department of Taxation and Finance, HFA/AHC Member, attended the meeting as a guest.

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 January 29, 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 \$4,449,000 HFA permanent first mortgage loan for Maple Court Apartments, 540 Kieff Drive, Watertown, Jefferson 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. Mr. Friedman stated that this is a heavily subsidized project which, in addition to the insured mortgage, will benefit from \$2 million subsidy loan from The Homes for Working Families Program ("HWF"), \$4.4 million of low-income housing tax credits ("LIHTCs"), an \$800,000 loan from the Development Authority of the North Country and a \$200,000 City of Watertown Community Development Block Grant Program loan. He added that a Section 8 Housing Assistance Payments ("HAP") contract will cover all units.

Mr. Friedman stated that the developer, Evergreen Partners, is an experienced developer of affordable rental housing. He noted that the insured loan amount is approximately \$48,000 per unit but equals only 32% of the project's total development cost of approximately \$149,500 per unit. Additionally, the project will break even with a 9% vacancy and collection loss 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 100% MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF ON A \$4,449,000 HFA PERMANENT FIRST MORTGAGE LOAN FOR MAPLE COURT APARTMENTS, 540 KIEFF DRIVE, WATERTOWN, JEFFERSON COUNTY**

\*\*\*\*\*

The next item on the Agenda was a resolution recommending the approval of 100% mortgage insurance on an \$11,071,000 CPC permanent first mortgage loan for 2060 Crotona Parkway and 975 East Tremont 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 rehabilitation of two fully-occupied multifamily buildings containing 136 low-income senior units.

Mr. Friedman stated that the development entity, Aquinas Deacon Juan Santos Housing Development Fund Corporation, a Bronx-based not-for-profit, is new to SONYMA but has been in existence since 1981 and due diligence has been performed with satisfactory results.

Mr. Friedman stated that the loan amount is approximately \$81,000 per unit but only equals 76% of the project's total development cost of \$106,900 per unit. Mr. Friedman stated that, in addition to the insured mortgage, the project will benefit from a \$1.8 million New York City

Housing Preservation & Development (“HPD”) subordinate loan and an Article 11 real estate tax abatement. He added that a Section 8 HAP contract will cover all units.

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 2060 CROTONA PARKWAY AND 975 EAST TREMONT AVENUE, BRONX COUNTY**

\*\*\*\*\*

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$2,181,517 CPC permanent first mortgage loan for 503 West 174<sup>th</sup> 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 stated that the project is comprised of the rehabilitation of a five-story, fully-occupied walk-up apartment building containing 26 affordable units in New York County. Mr. Friedman stated that the project will benefit from a \$1.2 million HPD subordinate loan and an Article 11 tax abatement. He noted that rents will be regulated by HPD and Section 8 vouchers will be available to eligible tenants.

Mr. Friedman stated that the project is being developed by Michael Rooney and Nicola DeAcetis and that this will be the fourth loan insured by SONYMA for entities controlled by Mr. Rooney.

Mr. Friedman stated that the insured loan amount is approximately \$83,000 per unit but equals only 63% of the project’s total development cost of approximately \$132,000 per unit. The project will break even with a 13% vacancy rate or an 18% 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 503 WEST 174<sup>TH</sup> STREET, NEW YORK COUNTY**

\*\*\*\*\*

The next item on the Agenda was a resolution recommending the approval of 100% mortgage insurance on an \$18,680,000 CPC permanent first mortgage loan for 500 Seneca Street, 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 stated that this project is comprised of the conversion of a warehouse into 109 residential units and 12 commercial spaces on a waterfront in the Historic Hydraulics District of Buffalo.

Mr. Friedman stated that there is no regulatory agreement, however all of the units will be affordable to households with incomes between 53% and 116% of the Buffalo Area Median Income ("AMI"). He stated that in addition to the insured first mortgage, the project will benefit from \$8.5 million in state and federal Historic Tax Credits, \$2.1 million in Brownfield Tax Credits and a 10-year Empire State Development Zone real estate tax abatement.

Mr. Friedman stated that the project is controlled by experienced, upstate developers. Frontier Group and Savarino Companies are successful owner/operators of real estate; the project will be managed by Savarino Properties, LLC.

Mr. Friedman noted that the insured loan amount is \$171,000 per unit but equals only 50% of the project's total development cost. He also noted that the project will break even with a 40% vacancy and collection loss for the residential units, a 63% increase in operating expenses or a 51% vacancy and collection loss for the commercial space.

Ms. Rogatz commented that the project was a good project for the MIF 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  
RECOMMENDING APPROVAL OF MORTGAGE INSURANCE AND A  
COMMITMENT FOR THE PROVISION THEREOF FOR 500 SENECA  
STREET, BUFFALO, ERIE COUNTY**

\*\*\*\*\*

**The next item on the Agenda was a resolution recommending the approval of 100% mortgage insurance on a \$7,000,000 CPC permanent first mortgage loan for 242 Broadway, Schenectady, Schenectady 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 and will create 39 units of workforce housing and ground floor commercial space. Mr. Friedman stated that the one-bedroom units will be affordable to households with incomes at 83% of the Albany/Schenectady AMI and the two-bedroom units will be affordable to households with incomes at 88% of the AMI.

Mr. Friedman stated that the project will benefit from a \$225,000 Metroplex Development Authority grant and a 10-year PILOT with the City of Schenectady. He noted that the ground floor commercial space will be occupied by a single tenant. He stated that the project will have a negative cash flow of \$110,000 per year with the commercial space vacant so SONYMA will

require that, at insurance effectiveness, the borrower provide a \$150,000 letter of credit to establish a debt service reserve. In the event the commercial space is vacated, the letter of credit will be drawn to cover debt service while the commercial space is renovated and re-rented.

Mr. Friedman stated that the insured loan amount is \$179,487 per unit but equals only 76% of the project's total development cost of \$235,683 per unit and that the project will break even with a 23% vacancy and collection loss on the residential units or a 48% increase in operating expenses.

Mr. Friedman noted that the developer, Hodorowski Homes, is a successful developer of upstate real estate.

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 242 BROADWAY, SCHENECTADY, SCHENECTADY COUNTY**

\*\*\*\*\*

**The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$4,500,000 CPC permanent first mortgage loan for The Herald Building, 220 Herald Place, Syracuse, Onondaga 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 constitutes the historic re-adaptation of an office building in downtown Syracuse into 27 residential units which will provide workforce housing, ground floor commercial space and parking. He stated that the units will be affordable to households with incomes between 98% and 123% of the Onondaga County AMI but will not be covered by a regulatory agreement. He noted that there will be a partial 485-a tax abatement.

Mr. Friedman stated that the developer, Horn Companies, is an experienced developer and manager of residential properties. He stated that the insured loan amount is \$166,667 per unit but equals only 87% of the project's total development cost of \$191,000 per unit and the project will break even with a 40% vacancy rate or a 97% increase in operating expenses. He noted that the borrower will contribute equity in the amount of \$664,000.

Noting the strong, positive cash flow of the project, Ms. Rogatz asked whether SONYMA could request that low-income units be incorporated into comparable projects going forward. Mr. Friedman responded that the strong cash flow in this project results from the below market acquisition price paid to a partner in the project and is unusual. He added that SONYMA could consider such an approach under similar circumstances.

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 HERALD BUILDING, 220 HERALD PLACE, SYRACUSE, ONONDAGA COUNTY**

\*\*\*\*\*

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$3,750,000 CPC permanent first mortgage loan for Arlington Town Center, 45-47 Springside Avenue, Poughkeepsie, 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 comprises the construction of two buildings and renovation of an existing building comprising a total of 23 units of workforce housing and four commercial/retail spaces and is Phase II of the three-phase Arlington Town Center development. He noted that there is no regulatory agreement in place but the project benefits from a 15 year PILOT and will assist in the revitalization of downtown Poughkeepsie.

Mr. Friedman stated that the insured loan amount is \$163,000 per unit and equals 71% of the project's total development cost of \$230,000 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 APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR ARLINGTON TOWN CENTER, 45-47 SPRINGSIDE AVENUE, POUGHKEEPSIE, DUTCHESS COUNTY**

\*\*\*\*\*

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$3,280,000 CPC permanent first mortgage for 101-117 Washington Avenue, Pleasantville, Westchester County. This item was withdrawn.

\*\*\*\*\*

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$6,529,646 JPMorgan Chase Bank, N.A. permanent first mortgage loan for East Bronx Cluster II, 1636-1640 University Avenue, 1167 Stratford Avenue, 100 West 174<sup>th</sup> Street and 1030 Cauldwell 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 stated that the project will benefit from a \$7.2

million HPD subordinate loan and \$21.3 million in Federal LIHTCs. He noted that the project will also have a 420c real estate tax abatement.

Mr. Friedman stated that the project sponsor and developer is Bronx Pro Real Estate Management Inc. He noted that this will be the fourth loan insured for JPMorgan Chase with this developer. Mr. Friedman stated that the insured loan amount is approximately \$36,000 per unit and equals 15% of the project's total development cost of \$233,406 per unit. He noted that the project will break even with an 11% increase in operating expenses or a 12% 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 EAST BRONX CLUSTER PHASE II, 1636-1640 UNIVERSITY AVENUE, 1167 STRATFORD AVENUE, 100 WEST 174<sup>TH</sup> STREET AND 1030 CAULDWELL AVENUE, BRONX COUNTY**

\*\*\*\*\*

**The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$5,221,855 Citibank, N.A. permanent first mortgage loan for 1420 Crotona Park East, 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. He stated that the project is comprised of the construction of an eight-story building with 60 residential units of which 36 units will be reserved for homeless individuals living with HIV/AIDS and will target homeless veterans, with referrals provided by the NYC Single Point of Access System. Mr. Friedman stated that all of the units will be restricted to tenant households with incomes at or below 60% of AMI and that a 15-year Section 8 HAP Contract covering all the units will further restrict households to incomes below 50% of the AMI.

Mr. Friedman stated that the project is being developed by The Doe Fund, Inc. which was organized in 1985 to help homeless and formerly incarcerated individuals achieve self-sufficiency.

The project will receive a \$2 million HPD Supportive Housing Loan and a 420c real estate tax abatement.

Mr. Friedman noted that the insured loan amount is approximately \$87,000 per unit but equals only 25% of the project's total development cost of \$354,000 per unit. Additionally, the project will break even with a 17% vacancy and collection loss or a 27% 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 1420 CROTONA PARK EAST, BRONX,  
BRONX COUNTY**

\*\*\*\*\*

**The last item on the Agenda was an information item.** Commissioner Towns asked if there was anything to report on the mortgage recording tax. Mr. Friedman reported that surtax collection in February was \$13.6 million and defaults remain low.

There being no unfinished business, Ms. Rogatz moved to adjourn the meeting which was duly seconded by Commissioner Towns; the meeting was adjourned at 8:20 a.m.



M. Lauren McGill  
M. Lauren McGill  
Secretary