

**MINUTES OF THE
REGULAR MEETING OF THE
MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD NOVEMBER 12, 2015 AT 8:06 AM
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

William C. Thompson	Chairman
Marge Rogatz	Director
James S. Rubin	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. Ms. Marge Rogatz 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 October 15, 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 recommending the approval of 100% mortgage insurance on a \$9,322,000 HFA permanent first mortgage loan for Clinton Plaza, 550 South Clinton Street, 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. He stated that this project comprises the moderate rehabilitation of a 23-story building with 305 low-income units.

Mr. Friedman stated that, in addition to the insured first mortgage, the project will benefit from a 20-year, project-based Section 8 Housing Assistance Program (HAP) contract from the Syracuse Housing Authority and a 15-year Payment in lieu of Taxes (PILOT) agreement with the City of Syracuse.

Mr. Friedman stated that the development entity is controlled by The Mulholland Group which owns 1,800 units of housing nationwide.

Mr. Friedman stated that the insured loan amount is approximately \$30,000 per unit which equals 24% of the project's total development cost of approximately \$125,000 per unit. He noted that the project would will break even with a 13% pro forma vacancy loss and collection loss or a 12% 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 CLINTON
PLAZA, 550 SOUTH CLINTON STREET, SYRACUSE, ONONDAGA
COUNTY**

The next item on the agenda was a resolution recommending the approval of 100% mortgage insurance on a \$9,140,000 HFA permanent first mortgage loan for Copiague Commons, 54 Railroad Avenue, Copiague, Suffolk 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 comprises the development of 71 low-income units and eighteen 18 workforce housing units. He noted that the workforce units are restricted to households with incomes at or below 130% of AMI but are initially affordable between 71% and 75% of the AMI. He noted that the project has a PILOT agreement with the Town of Babylon.

Mr. Friedman stated that the development entity is controlled by Conifer Realty, LLC and noted that the loan will be the Agency's twentieth loan insured for entities controlled by Conifer for a total liability of \$92 million.

Mr. Friedman stated that the insured loan amount is \$101,556 per unit which equals 28% of the project's total development cost of \$366,364 per unit. He added that the project will break even with a 10% pro forma vacancy and collection loss or a 10% increase in operating expenses.

Ms. Rogatz commented that the project is an important project for the area.

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 COPIAGUE COMMONS, 4 RAILROAD AVENUE, COPIAGUE, SUFFOLK COUNTY

The next item on the agenda was a resolution recommending the approval of 100% mortgage insurance on a \$8,450,000 HFA permanent first mortgage loan for Seven Greens Apartments, 120 Lawrenceville Street, Kingston, Ulster 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 moderate rehabilitation of 125 Mitchell-Lama units for seniors and the development of 24 new units. Mr. Friedman stated that the project will benefit from a project-based Section 8 contract covering 118 units and project based vouchers for the 24 new units. He added that the project will have a 30-year PILOT agreement with the Town of Ulster.

Mr. Friedman stated that the development entity is controlled by David A. Carlen, who has developed 1,300 units of affordable housing. He added that this will be the second HFA loan insured for entities controlled by Mr. Carlen.

Mr. Friedman noted that the insured loan amount is \$56,711 per unit which equals 34% of the Project's total development cost of approximately \$166,000 per unit. He added that the project will break even with an 8% 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 SEVEN GREENS APARTMENTS, 120 LAWRENCEVILLE STREET, KINGSTON, ULSTER COUNTY

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$6,230,000 HFA permanent first mortgage loan for Joseph L. Allen Apartments, 768-782 Albany Street, 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 stated that the project comprises the development of 51 low income units with 25 units reserved for clients of the New York State Office of Mental Health (OMH). He stated that OMH will contract to pay 100% of the

debt service for the full 30-year life of the loan and to pay rent subsidies and property operating expenses.

Mr. Friedman stated that the development entity, the DePaul Group, is a Rochester-based developer of supportive housing and is a highly-regarded and experienced developer. He noted that this is the eighth loan the Agency has insured for entities controlled by DePaul for a total exposure of \$46 million.

The insured loan amount is approximately \$122,000 per unit and equals 35% of the project's total development cost of approximately \$338,000 per unit.

Commissioner Rubin commented that the project demonstrates the benefits of the OMH partnership with debt service and rent subsidy support for the projects in which OMH is involved.

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 JOSEPH L. ALLEN APARTMENTS, 768-782
ALBANY STREET, SCHENECTADY, SCHENECTADY COUNTY**

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$2,200,000 HFA permanent first mortgage loan for Theodore Fremd Senior Apartments, 150 North Street, Rye, 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. He stated that this project comprises the development of 41 low-income units which partially fulfill the Westchester County settlement requiring the development of more fair and affordable housing. He noted that all units are set aside for tenants with incomes at or below 60% of the AMI with 8 of the units set aside for households with incomes up to 50% of the AMI.

Mr. Friedman stated that the development entity is controlled by Louis Larizza. He noted that this will be the second loan insured for Mr. Larizza.

Mr. Friedman stated that the insured loan amount of approximately \$53,600 per unit equals 12% of the project's total development cost of \$432,495 per unit. He added that the project will break even with a 9% vacancy and collection loss or a 7% increase in pro forma operating expenses.

Chairman Thompson asked how many units Westchester County is obligated to develop. Commissioner Rubin stated that Westchester County is obligated to develop approximately 700 units and recently announced that they are ahead of, or exceeding, the requirement although, he noted, that there have been questions about the unit count. In response to a further question from

Chairman Thompson, Mr. Friedman and Commissioner Rubin agreed that the Agencies are involved with most of the Westchester projects. Ms. Rogatz added that there are questions about whether the projects are reaching minority communities. She further noted that many of the projects are still in development and have not received permits. Mr. Friedman noted that this particular project is for seniors.

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 THEODORE FREMD SENIOR
APARTMENTS, 150 NORTH STREET, RYE, WESTCHESTER COUNTY**

The next item on the agenda was a resolution recommending the approval of 100% mortgage insurance on a \$27,000,000 CPC permanent first mortgage loan for Inner Harbor, 720 Van Rensselaer Street, 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. He stated that this project comprises development of 108 units of workforce housing and 37,100 square feet of commercial space and is located within the Syracuse Inner Harbor Master Plan which will include development of office and hotel space as well as an Environmental Science and Forestry building for the State University of New York. Mr. Friedman stated that the development is an extension of the downtown historic re-adaptation area.

Mr. Friedman stated that the development entity is controlled by the COR Companies and that this will be the third loan insured for COR for a total liability of \$55 million. He noted that the project will break even with a 23% vacancy and collection loss, a 77% increase in operating expenses or a 59% vacancy and collection loss for the commercial space.

Mr. Friedman noted that the insured loan amount is \$250,000 per unit and equals 74% of the project's total development cost of approximately \$336,000 per unit. He noted that there is \$5.3 million in developer equity which comprises 15% of the total development cost.

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 INNER HARBOR, 720 VAN
RENSSELAER STREET, SYRACUSE, ONONDAGA COUNTY**

The next item on the agenda was a resolution approving an increase in 100% mortgage insurance from \$4,500,000 to \$5,700,000 on a 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 item represents a request to increase the loan amount in order to cover development costs. He stated that the project has more than sufficient income to cover the increased debt service but that the income to expense ratio will decline from the original underwriting at 1.40:1 to 1.22:1. He commented that it was probably not initially underwritten as conservatively as it should have been.

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

The next item on the agenda was a resolution approving an increase in 100% mortgage insurance from \$4,250,000 to \$4,825,000 on a CPC permanent first mortgage loan for 1259, 1265 and 1369 College 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 this is a project that was approved about approximately two years earlier and development costs have increased but, with an appreciable increase in rents in the same period, the income to expense ratio remains constant despite the increase in the loan amount.

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 1259, 1265, 1369 COLLEGE AVENUE, BRONX, BRONX COUNTY

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$3,747,433 LISC permanent first mortgage loan for Woodycrest Veterans Housing, 984 Woodycrest Avenue, Bronx, Bronx County. Mr. Friedman stated that the project comprises development of 48 low-income units for senior veterans with 29 units set aside for formerly

homeless veterans. He added that The New York City Housing Authority will provide a project-based Section 8 HAP contract covering all units.

Mr. Friedman stated that the development entity is controlled by HELP USA and that this will be the third loan insured for HELP USA.

Mr. Friedman stated that the total project cost is approximately \$17 million and that the insured loan amount is \$78,072 per unit which equals 23% of the project's total development cost of approximately \$345,000 per unit. He noted that the project will break even with a 10% pro form vacancy and collection loss or a 10% increase in operating expenses.

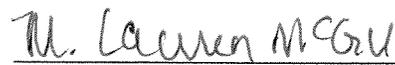
Commissioner Rubin asked for confirmation that the tax credits would be provided by New York City which Mr. Friedman confirmed.

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 WOODYCREST VETERANS HOUSING, 984
WOODYCREST AVENUE, BRONX, BRONX COUNTY**

The last item on the agenda was an information item. Mr. Friedman reported that the mortgage recording tax receipts were \$19,580,000 in October which is the highest it has been for approximately eight years. He added that, annualizing receipts for the first seven months of the year ending March 31, 2016, SONYMA is on track to receive \$192 million in surtax receipts. Last year SONYMA received \$167 million and the previous year \$139 million. Commissioner Rubin asked about the source of the mortgage recording tax receipts and the reason for their fluctuation. Mr. Friedman responded that SONYMA receives a portion of the mortgage recording taxes collected in the state, exclusive of those on single family mortgages in the twelve county MTA region and Erie County. Mr. Friedman stated that he believes the fluctuations in the mortgage recording tax receipts is driven by commercial development in New York City where one, big development can swing receipts. He added that receipts from the rest of New York State are typically between \$4 million and \$5 million with total receipts around \$14 million.

There being no unfinished business, Ms. Rogatz moved to adjourn the meeting which was duly seconded by Chairman Thompson; the meeting was adjourned at 8:25 a.m.



M. Lauren McGill
Secretary