

**MINUTES OF THE
REGULAR MEETING OF THE
MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD DECEMBER 10, 2015 AT 8:00 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. Chairman Thompson moved to call the meeting to order; President Rubin 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.

Andrew A. SanFilippo, MBBA/TSFC Member/Director, Steven J. Weiss, HFA/AHC Vice Chairman, and Linda Baldwin, in her role a designee to the Secretary of State, MBBA/TSFC Member/Director, attended the meeting as guests.

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 November 12, 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 50% mortgage insurance on an \$11,160,000 HDC permanent first mortgage loan for 1345 Rogers Avenue, 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. He stated that there are ten loans on the Agenda of which seven are for projects in Brooklyn which will provide 672 affordable units. He stated that this first loan is for a project located on Rogers Avenue which will create 123 low income units.

Mr. Friedman stated that the development entity is The Doe Fund and that this is the MIF's second loan insured for The Doe Fund. He stated that the project is heavily subsidized and will benefit from a \$6.8 million New York City Department of Housing Preservation and Development ("HPD") second loan, an \$8 million HPD third loan and \$5 million from the Homeless Housing Assistance Corporation ("HHAC").

Chairman Thompson inquired about the targeted population. Mr. Friedman stated that half of the units would be reserved for formerly homeless tenants living with HIV/AIDS.

Mr. Friedman stated that the insured loan amount is approximately \$91,000 per unit but equals 19% of the project's total development cost of \$472,000 per unit. He noted that the project would break even with a 10% pro forma vacancy and collection loss or an 11% 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 1345 ROGERS AVENUE, BROOKLYN,
KINGS COUNTY**

The next item on the agenda was a resolution recommending the approval of 50% mortgage insurance on a \$5,950,000 HDC permanent first mortgage loan for Monsignor Jarka Hall, 268-270 Bedford Avenue, 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. He stated that this project comprises the moderate rehabilitation of an all low-income, 64-unit building for seniors. He noted that the project will benefit from a Section 8 Housing Assistance Program ("HAP") contract covering all of the units and a New York City Article 11 tax abatement. Mr. Friedman stated that the development entity is controlled by St. Nicks Alliance Corp. and that this will be the third loan insured for projects affiliated with St. Nicks Alliance. He added that St. Nicks is also the developer of the sixth project on the Agenda.

Mr. Friedman stated that the insured loan amount is \$93,000 per unit but only equals 32% of the project's total development cost of \$300,000 per unit. He added that the project will break even with a pro forma 5% vacancy loss.

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 MONSIGNOR JARKA HALL, 268-270 BEDFORD AVENUE, BROOKLYN, KINGS COUNTY

The next item on the agenda was a resolution recommending the approval of 100% mortgage insurance on a \$7,290,557 Enterprise Community Loan Fund, Inc., permanent first mortgage loan for CHS Year 15 Portfolio, 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. This project comprises the acquisition and moderate or, in some cases, substantial rehabilitation of 33 separate walk-up apartment buildings in Brooklyn. Mr. Friedman stated that the project has \$27 million in existing HPD subordinate debt and will benefit from a new \$1.9 million HPD subordinate loan. He stated that the project will also benefit from a 420c tax abatement.

Mr. Friedman stated that the development entity is controlled by CB Emmanuel Realty, LLC and that the loan will be the sixth mortgage insured for projects controlled by CB Emmanuel for a total exposure of \$18 million.

Mr. Friedman noted that the insured loan amount is \$20,252 per unit but only equals 18% of the Project's total development cost of approximately \$114,000 per unit. He added that the project would break even with a 6% increase in pro forma operating expenses or a 10% residential 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 CHS YEAR 15 PORTFOLIO, BROOKLYN, KINGS COUNTY

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$2,976,993 LISC permanent first mortgage loan for Kings Covenant, nine 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 stated that the project comprises the moderate rehabilitation of nine buildings with 74 affordable units.

Mr. Friedman stated that the development entity is the Bridge Street Development Corp. He added that this is the fourth mortgage insured for Bridge Street for total exposure of \$6.5 million.

Mr. Friedman noted that the insured loan amount is \$40,000 per unit but only equals 24% of the Project's total development cost of approximately \$165,000 per unit. He added that the project would break even with a 10% vacancy and collection loss or a 7% increase in operating expenses.

Chairman Thompson asked if all of the buildings were located in the Bedford Stuyvesant section of Brooklyn. Mr. Friedman responded that the buildings are in Bedford Stuyvesant with the exception of one building in Park Slope.

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 KINGS COVENANT, NINE SCATTERED SITE BUILDINGS IN BROOKLYN, KINGS COUNTY

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$3,716,294 Citibank, N.A. permanent first mortgage loan for 695 Grand Street (Residential Condominium Unit), 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. He stated that Items 6 and 7 on the agenda are for the residential and commercial components of the same project in Brooklyn. He stated that the first item, the residential project, represents the development of 51 all low-income units and is an HPD PLP project which will have a \$3.3 million HPD second mortgage. He stated that the project will also benefit from a project-based Section 8 HAP contract covering eight of the 51 residential units and a 420c real estate tax exemption.

Mr. Friedman stated that the development entity is controlled by St. Nicks Alliance Corp., which is also the developer of Monsignor Jarka Hall which was approved by the Committee earlier in the meeting. He added that St. Nicks was founded in 1975 to stem the urban blight and disinvestment occurring in the Williamsburg and Greenpoint sections of Brooklyn.

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 695 GRAND STREET (RESIDENTIAL CONDOMINIUM UNIT), BROOKLYN, KINGS COUNTY

The next item on the agenda was a resolution recommending the approval of 100% mortgage insurance on a \$3,404,000 Citibank, N.A. permanent first mortgage loan for 695 Grand Street (Commercial Condominium Unit), 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 and referred to the discussion of the previous item which addressed both Item 6 and Item 7 on the agenda.

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 695 GRAND STREET (COMMERCIAL CONDOMINIUM UNIT), BROOKLYN, KINGS COUNTY

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$12,420,000 CPC permanent first mortgage loan for 796 East 163rd Street et al, 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 this project comprises the moderate rehabilitation of nineteen scattered-site apartment buildings containing 334 units. Mr. Friedman stated that the project is an HPD PLP project which will benefit from a new \$4.5 million HPD capital loan and assume \$22 million of existing HPD capital loans. He added that the project will also benefit from an Article 11 real estate tax exemption.

Mr. Friedman stated that the development entity is Exact Capital which is controlled by Craig Livingston and Michael Callaghan, experienced developers of affordable housing.

Mr. Friedman noted that the insured loan amount is \$37,000 per unit which equals 29% of the project's total development cost of approximately \$130,000 per unit. He added that the project will break even with an 11% residential vacancy rate and 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 RECOMMENDING APPROVAL OF MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR 796 EAST 163RD STREET ET AL, BRONX, BRONX COUNTY

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$11,450,000 CPC permanent first mortgage loan for 1 South Street (aka 441 Ohio 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 the project comprises the development of 78 workforce housing units in Buffalo, N.Y. He stated that there is no regulatory agreement, however, the units will be affordable to households with incomes between 86% and 150% of the Erie County AMI, with adjustments by unit size. He added that there is no subsidy other than \$2.9 million in New York State Brownfield Tax Credits and a 485a real estate tax abatement.

Mr. Friedman stated that the development entity is controlled by David Franjoine and Samuel Savarino, experienced Buffalo-based developers. He added that this will be the second loan insured for entities controlled by Samuel Savarino for a total exposure of \$30 million.

Mr. Friedman noted that the insured loan amount is approximately \$147,000 per unit which equals 84% of the project's total development cost of \$221,000 per unit. He noted that the project will break even with a 15% pro forma vacancy and collection loss or a 40% increase in operating expenses. He added that there is \$2.8 million of developer equity in the project.

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 1 SOUTH STREET (A/K/A 441 OHIO STREET), BUFFALO, ERIE COUNTY

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$7,300,000 CPC permanent first mortgage loan for 20 Park Street, Albany, Albany 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 adaptive redesign and conversion of a vacant former State office building into 73 workforce housing units. He stated that there is no Regulatory Agreement but that rents will be affordable between 73% and 86% of Albany area AMI. He added that the project will benefit from a 12-year PILOT agreement with the City of Albany.

Mr. Friedman stated that the borrower contributed \$1.6 million in developer equity and the building was purchased for \$2.250 million. President Rubin inquired about the purchase of the building. It was reported that the acquisition cost was \$2,250,000.

Mr. Friedman stated that the insured loan amount is \$100,000 per unit which equals 82% of the project's total development cost of approximately \$122,000 per unit. He added that there is \$1.6 million of developer equity in the project represent almost 20% of the total development costs and that the project will break even with a 17% vacancy and collection loss or a 30% increase in operating expenses.

President Rubin asked how the building was acquired. Mr. Friedman responded that it was purchased for \$2.250 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 RECOMMENDING APPROVAL OF MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEREOF FOR 20 PARK STREET, ALBANY, ALBANY COUNTY

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$3,420,000 CPC permanent first mortgage loan for 930 N. Putnam Avenue, Lindenhurst and eight other scattered site properties, 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. Mr. Friedman reported that the project comprises the refinance of three existing CPC loans on nine projects on which 100% of the debt service is paid by the New York State Office of Mental Health ("OMH"). He stated that, at the behest of OMH, Hands Across Long Island, Inc., the well regarded owner and operator of the projects, has asked CPC to refinance the existing mortgage loans to lower its debt service costs. He stated that the MIF has authority to insure loans on OMH or OPWDD projects which are a straight refinance without a rehabilitation component. Mr. Friedman noted that the refinance will result in \$81,049 in annual debt service savings for OMH.

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 930 N. PUTNAM AVENUE, LINDENHURST

AND EIGHT OTHER SCATTERED SITE PROPERTIES, SUFFOLK
COUNTY

The last item on the agenda was an information item. Mr. Friedman reported that mortgage recording tax receipts for November were \$15.6 million. He added that in the previous month receipts were \$19.6 million which is anomalous as tax receipts have been running at \$14 or \$15 million per month. He added that in November 2015, the tax receipts were \$18 million, also anomalous, and that year-to-date, surtax receipts are \$128 million which is on track for aggregate receipts of \$190 million for the year.

There being no unfinished business, President Rubin moved to adjourn the meeting which was duly seconded by Chairman Thompson; the meeting was adjourned 8:22 a.m.



M. Lauren McGill
Secretary