

**MINUTES OF THE
REGULAR MEETING OF THE
MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD APRIL 14, 2016 AT 8:07 AM
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

William C. Thompson	Chairman
Marge Rogatz	Director (via video conference)
James S. Rubin	Director

Chairman William Thompson chaired the meeting of the Mortgage Insurance Committee (“MIC”) of the State of New York Mortgage Agency (“SONYMA”).

M. Lauren McGill, Vice President and Counsel to the Mortgage Insurance Fund 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.

Ms. McGill noted that Ms. Rogatz was attending the meeting via video conference from the Champion Office Suite, located at 1225 Franklin Avenue, Suite 325, Garden City, New York.

Mr. Steven J. Weiss and Mr. Nestor M. Davidson, HFA/AHC Members, attended the meeting as guests. Mr. Todd Scheuermann representing Mr. Robert F. Mujica, the Director of the New York State Division of the Budget, SONYMA Director and HFA/AHC Member, and Mr. Eric Mostert, Chief Fiscal Officer, representing Commissioner Jerry Boone from the New York State Department of Taxation and Finance, HFA/AHC Member, both attended the meeting as guests from the conference center at the Capitol Building, Room 131, in Albany. Mr. Andrew SanFilippo, MBBA/TSFC Director, attended the meeting as a guest from the Agencies’ Buffalo Regional Office at Electric Tower, 535 Washington Street, Suite 105.

A public notice was given of the time and location of the venues 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 March 10, 2016. 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 \$40,890,000 HDC permanent first mortgage loan for Tracey Towers, 20-40 Mosholu Parkway South, 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 moderate rehabilitation of 871 Mitchell Lama units of which 310 low-income units are reserved for households with incomes at or below 60% of the Area Median Income ("AMI") and 559 units are reserved for households with incomes below 125% of the AMI with rents for the 125% of AMI units set at levels affordable between 66% and 77% of AMI. He noted that the project will be regulated by the New York City Housing Preservation & Development ("HPD") through a regulatory agreement.

Mr. Friedman stated that the development entity, The DeMatteis Organization, has been in the multi-family housing business for 100 years and is a well-regarded owner/operator of affordable housing.

Mr. Friedman stated that the insured loan amount is approximately \$47,000 per unit which equals only 20% of the project's total development cost of \$229,147 per unit. He added that the project will break even with a 10% pro forma 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
RECOMMENDING APPROVAL OF MORTGAGE INSURANCE AND A
COMMITMENT FOR THE PROVISION THEREOF FOR TRACEY
TOWERS, 20-40 MOSHOLU PARKWAY SOUTH, BRONX, BRONX
COUNTY**

The next item on the agenda was a resolution approving 50% mortgage insurance on a \$24,645,000 HDC permanent first mortgage loan for Story Avenue East Apartments, 1530 Story 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. He stated that the project comprises the construction of 105 low-income units and 106 moderate-income units. Mr. Friedman stated that eligibility for the moderate income units will be at 100% of AMI. He added that initial unit rents for the moderate income units will be set at between 80% and 95% of AMI.

Mr. Friedman stated that project is very highly subsidized with subordinate loans from New York City Housing Development Corporation (“HDC”), HPD, New York State Housing Finance Agency (“HFA”) and Citibank, N.A. with \$20 million in federal low-income housing tax credits (“LIHTC”). He stated that the development entity, L&M Development Partners, Inc. is a repeat HDC, HFA and SONYMA borrower and is a highly regarded developer of affordable housing.

Mr. Friedman stated that the insured loan amount is approximately \$116,000 per unit which equals 26% of the project’s total development cost of approximately \$443,000 per unit. He added that the project will break even with a 20% pro forma increase in operating expenses or a 13% 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 STORY
AVENUE EAST APARTMENTS, 1530 STORY AVENUE, BRONX,
BRONX 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 618 West 187th 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 this project is an HPD/Participation Loan Program project and comprises the acquisition and substantial rehabilitation of 21 residential units. He added that the project’s eligibility will be set at 120% of AMI but initial rents will be affordable at 82% of AMI. Mr. Friedman noted that eligible tenants will receive enhanced Section 8 vouchers.

Mr. Friedman stated that, in addition to the insured mortgage, the project will benefit from a \$3.3 million HPD second mortgage. He stated that the development entity is Northern Manhattan Improvement Corporation which was established in 1979 to address eviction in northern Manhattan.

Mr. Friedman further stated that the insured loan amount is \$157,143 per unit and equals 49% of the project’s total development cost of approximately \$320,000 per unit. He added that the project will break even with a 22% increase in pro forma operating expenses or a 13% 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 APPROVING**

**MORTGAGE INSURANCE AND A COMMITMENT FOR THE
PROVISION THEREOF FOR 618 WEST 187TH STREET, MANHATTAN,
NEW YORK COUNTY**

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$3,199,000 CPC permanent first mortgage loan for 603 Jackson 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 project comprises the construction of 25 moderate-income units. He noted that all the units are restricted to households with incomes up to 80% of AMI pursuant to an HPD regulatory agreement.

Mr. Friedman stated that in addition to the insured first mortgage, the project will benefit from an HPD subsidy loan in the amount of \$2.5 million and Article XI real estate tax benefits. He noted that the development entity is controlled by Steve Zervoudis and that the loan will be the ninth mortgage insured for Mr. Zervoudis for total exposure, inclusive of this loan, of \$30 million. He noted that the insured loan amount is approximately \$128,000 per unit but equals only 50% of the project's total development cost of approximately \$258,000 per unit and will break even with a pro forma 13% vacancy and collection loss for the units, a 19% 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 603 JACKSON AVENUE, BRONX, BRONX
COUNTY**

The next item on the agenda was a resolution approving 100% mortgage insurance on a \$6,800,000 CPC permanent first mortgage loan for Lofts on Main, 922 Main Street, 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 stated that this project comprises the construction of 50 low-income units and 24 moderate-income units. He noted that there will be a preference for households including at least one tenant who is an artist.

Mr. Friedman stated that the project will be heavily subsidized with subordinate loans from DHCR and the City of Peekskill and LIHTCs, state low-income housing tax credits and brownfield tax credits.

Mr. Friedman stated that this would be the seventh loan insured for Ken and Sean Kearney for total exposure of \$24 million. He added that the insured loan amount is \$90,667 per unit but equals only 26% of the project's total development cost of \$353,885 per unit; the project would break even with a 13% vacancy and collection rate or a 15% 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 LOFTS ON MAIN, 922 MAIN STREET,
PEEKSKILL, WESTCHESTER COUNTY**

The last item on the agenda was an information item. Mr. Friedman reported that mortgage recording surtax receipts for the year ending March 31, 2016 were \$189 million. He noted that last year total receipts were \$167 million and two years ago total receipts were \$139 million.

There being no unfinished business, Commissioner Rubin moved to adjourn the meeting which was duly seconded by Chairman Thompson; the meeting was adjourned at 8:19 a.m.



M. Lauren McGill
Secretary