

**MINUTES OF THE
REGULAR MEETING OF THE
MORTGAGE INSURANCE COMMITTEE OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD THURSDAY, DECEMBER 15, 2016 AT 8:05 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. She noted that Ms. Marge Rogatz was participating in the meeting from Champion Office Suite, located at 1225 Franklin Avenue, Suite 325, Garden City 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.

MBBA/TSFC Director/Member, Mr. Andrew SanFilippo and HFA/AHC Members, Mr. Nestor Davidson and Mr. Christopher Curtis, representing the Commissioner of Taxation and Finance, attended this meeting as guests. Mr. Steven J. Weiss, HFA/AHC Member, attended the meeting as a guest from the Agencies’ Buffalo Regional Office at Electric Tower, 535 Washington Street, Suite 105, Buffalo, New York.

Ms. McGill asked for a motion and second to call the meeting to order. Chairman Thompson moved to call the meeting to order; Ms. Rogatz seconded the motion.

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 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 100% mortgage insurance on a \$9,045,000 HFA permanent first mortgage loan for Pilgrim Village/Campus Square, Condo A, 1100 Michigan Avenue and 903 Ellicott, 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. Mr. Friedman said that the project comprises the substantial rehabilitation of 57 low income units and the construction of 92 low income and 22 moderate income units. He added that a project based Section 8 HAP contract will cover 82 of the low income units. Mr. Friedman stated that the project has a pilot agreement with the Erie County IDA.

Mr. Friedman stated that the development entity is controlled by Mark Trammell who has been in the real estate business in Buffalo for over twenty years. He said this will be the first loan insured by the Agency for entities controlled by Mr. Trammell.

Mr. Friedman said that the insured loan amount is \$611,000 per unit which equals 15% of the Project's development cost of \$413,000 per unit. He stated that the development cost includes \$12 million in Brownfields remediation which is being funded with \$12 million in Brownfields tax credits. He added that this equates to \$82,000 per unit so that, net of the Brownfields remediation, the development cost is \$330,000 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
RECOMMENDING APPROVAL OF MORTGAGE INSURANCE AND
A COMMITMENT FOR THE PROVISION THEREOF FOR PILGRIM
VILLAGE/CAMPUS SQUARE, CONDO A, 1100 MICHIGAN AVENUE
AND 903 ELLICOTT, BUFFALO, ERIE COUNTY.**

The next item on the Agenda was a resolution recommending the approval of 100% mortgage insurance on a \$7,250,000 HFA permanent first mortgage loan for Skyline Gardens Apartments, 105-147 Livingston Avenue and 7 Lark Avenue, 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 said that the project comprises the acquisition and rehabilitation of 189 Mitchell-Lama units. He said 131 of the 189 units will be covered by a project based Section 8 HAP Contract.

Mr. Friedman stated that the develop entity, The Michaels Organization, has developed more than 52,000 housing units since it was founded in 1973.

Mr. Friedman stated that the insured loan amount is \$38,000 per unit which equals 22% of the Project's total development cost of \$176,000 per unit. Mr. Freidman said that the project is efficient and will break even with a pro forma vacancy rate of 10% or a 7% increase in operating expenses. He added that the project has shelter rent tax.

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 SKYLINE GARDENS APARTMENTS, 105-147 LIVINGSTON AVENUE AND 7 LARK AVENUE, ALBANY, ALBANY COUNTY.

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$4,055,000 HFA permanent first mortgage loan for Heritage Gardens, 950 Commons Way, Henrietta, Monroe County. Mr. Freidman 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 82 low income units of which seventeen will be reserved for clients of the New York State Office of Persons with Developmental Disabilities (OPWDD). He said that OPWDD will pay \$107,161 per annum in debt service which is sufficient to service the debt on \$1,655,000 of the total \$4,055,000 in debt. He said the remaining \$2.4 million will be serviced by the project's net operating income. He added that OPWDD will also pay approximately \$81,192 per annum in rent subsidies, which will close the gap between SSI rents of about \$200 per month and the tax credit rents of approximately \$644 per month.

Mr. Friedman said the development entity is Heritage Christian Services, a not-for-profit company founded in 1984 that services more than 1,800 clients in Monroe, Wayne, Livingston, Erie and Niagara counties.

Mr. Friedman stated that the insured loan amount is \$49,000 per unit which equals 25% of the Project's total development cost of \$193,000 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 HERITAGE GARDENS, 950 COMMONS WAY, HENRIETTA, MONROE COUNTY.

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$4,980,000 HFA permanent first mortgage loan for Blue Heron Trail I, 509 Eastline Road, Ballston Spa, Saratoga County. Mr. Freidman 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 said that the project comprises the development of 82 low and moderate income units.

Mr. Friedman stated that development entity is controlled by Conifer Realty, LLC. He said that the loan will be the twenty fourth loan insured by the Agency for entities controlled by Conifer with total exposure of \$103,000,000.

Mr. Friedman said that the insured loan amount is \$61,000 per unit which equals 23% of the total development cost of \$260,000 per unit. He said that the project will breakeven with a pro forma 10% vacancy and collection loss or a 9% increase in operating expenses. He added that the project will receive 581-a real estate tax benefits.

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 BLUE HERON TRAIL I, 509 EASTLINE ROAD, BALLSTON SPA, SARATOGA COUNTY.

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$2,790,000 CPC permanent first mortgage loan for Blue Heron Trail II, 509 Eastline Road, Ballston Spa, Saratoga County. Mr. Freidman 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 said that the project is a sister project to Blue Heron Trail II, the previous item on the agenda. He stated that the project is a 9% tax credit project with conventional financing as opposed to 4% tax credit project with bond financing. Mr. Friedman stated that the project comprises the construction of 60 low income units and is also being developed by Conifer Reality LLC.

Mr. Friedman stated that the insured loan amount is \$46,000 per unit which equals 20% of the project's total development cost of \$231,000 per unit. He said that the project will break even with a pro forma 14% vacancy 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 BLUE HERON TRAIL II, 509 EASTLINE ROAD, BALLSTON SPA, SARATOGA COUNTY.

The next item on the Agenda was a resolution recommending approval of 100% mortgage insurance on a \$7,616,001 CPC permanent first mortgage loan for The Empire Building, 472 South Salina 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. Mr. Friedman said that the project comprises the historic re-adaptation of a vacant office building on South Salina Street in the central business district in downtown Syracuse. He said the building will be converted into 52 workforce housing units with approximately 6,400 square feet of commercial space and 54 onsite parking spaces. Mr. Friedman stated that the project will receive a 485-a tax abatement, a tax abatement which is intended to promote the conversion of vacant downtown buildings into mixed-use buildings with residential upstairs and retail downstairs. Mr. Friedman added that the project will not have a regulatory agreement but that the units will be affordable between 88% and 154% of the Buffalo AMI.

Mr. Friedman stated that the development partners, Derek Persse and Richard DeVito each have over 25 years of experience in real estate in the Syracuse area.

Mr. Friedman stated that the insured loan amount is \$147,000 per unit which equals 69% of the Project's total development cost of \$211,000 per unit. He said that the project will break even with a 17% pro forma vacancy rate or 28% increase in operating expenses and likewise will break even with all of the commercial space vacant.

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 THE EMPIRE BUILDING, 472 SOUTH SALINA STREET, 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 545 East 166th Street, Bronx, Bronx

County. Mr. Freidman 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 41 low income units of which eight will be reserved as Veterans Affairs Supportive Housing or VASH units. He said these units will be covered by a Section 8 HAP contract.

Mr. Friedman stated that the development entity is a joint venture between SOBRO, a repeat SONYMA and CPC borrower, and Dimitrios and Georgios Delegos, brothers who are new to the Agency, but has been vetted by HPD. He added that the loan will be the sixth loan insured for entities controlled by SOBRO for total exposure of \$18 million.

Mr. Friedman stated that the insured loan amount is \$91,000 per unit which equals 19% of the Project's total development cost of \$481,000 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 545 EAST 166TH STREET, BRONX, BRONX COUNTY.

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$4,492,000 JP Morgan Chase Bank, N.A. permanent first mortgage loan for Parkside Terrace, 3211 Parkside Place, Bronx, Bronx County. Mr. Freidman 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 said that the project comprises the development of 56 low income and 23 middle income units. He stated that twelve of the low income units will be reserved for clients of OPWDD. He added that OPWDD will pay approximately \$84,000 per annum in rent support but will not pay any of the debt service for this project.

Mr. Friedman stated that the project is being developed by Dunn Development Corp. which is an experienced and well regarded developer of supportive and low income housing. He added that this will be the tenth loan the Agency has insured for entities controlled by Dunn Development Corp. for a total exposure of \$26 million.

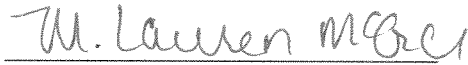
Mr. Freidman said the insured loan amount is \$56,000 per unit which equals 16% of the project's total development cost of \$362,000 per unit. He added that the project will break even with a 10% pro forma vacancy rate or a 9% increase in operating expense.

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 PARKSIDE TERRACE, 3211 PARKSIDE PLACE, BRONX, BRONX COUNTY.

The last item on the Agenda was an information item. Mr. Friedman reported that the default rate remains very low adding that, with \$2.8 billion in total insured loans, there is approximately \$20 million in delinquent loans.

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



M. Lauren McGill
Secretary