

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
STATE OF NEW YORK MORTGAGE AGENCY
HELD ON MAY 14, 2015 AT 8:35 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

William C. Thompson	Chairman
Marge Rogatz	Director
Darryl C. Towns	Director
Elaine McCann	New York State Division of the Budget, representing Mary Beth Labate, Member (via video conference)

ABSENT:

Anthony Bergamo	Director
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Chairman William C. Thompson presided over the meeting and welcomed everyone.

Mr. C. Jason Kim, Senior Vice President and Counsel to the Agencies, acted as Secretary. He noted that Ms. Elaine McCann, representing Budget Director Mary Beth Labate from the New York State Division of the Budget, is participating in the meeting via video conference from the New York State Division of Budget conference center at the Capitol Building, Room 131, in Albany. A public notice was given of the time and location of the venue in accordance with the New York State Open Meetings Law.

Mr. Kim asked for motions and seconds to call to order the Members and Directors meetings of the New York State Housing Finance Agency ("HFA"), the New York State Affordable Housing Corporation ("AHC") and the State of New York Mortgage Agency ("SONYMA") Vice Chairman Weiss moved to call the HFA and AHC meetings to order; Mr. Davidson seconded the motion. Ms. Rogatz moved to call the SONYMA meeting to order, Chairman Thompson seconded the motion. Mr. Kim stated that as items were presented to each Board throughout the meetings, these motions and seconds would be used, unless specific items called for a different vote, or unless any Board member wished to record his or her vote differently.

The meetings of the affiliated Agencies were opened in joint session for the President's report, the recital of the Committee reports, the adoption of the minutes of previous meetings and consideration of various matters of shared importance. These minutes reflect only those items being considered by the Directors of the State of New York Mortgage Agency. A record of items considered by the other Agencies is contained in the minutes of each of the Agencies.

The first item on the agenda was the President's Report. President Towns gave a brief report. He reported that earlier, in the morning, the Mortgage Insurance Committee ("MIC") approved permanent mortgage insurance for twelve (12) projects representing 4,063 units of affordable housing located in six counties across New York State. He reported that on the multifamily side, today, HFA will be asked to approve financing of nine projects representing \$623 million in new financing. He also noted that the AHC Board will be asked to approve funding for certain projects in the amount of \$7.4 million representing assistance to 439 units of affordable housing.

Lastly, President Towns reported that yesterday, marked the conference for NYSAFA which was a well-attended and an important industry event. He noted that staff was well represented and the Agencies look forward to working with their partners during the 2015-16 cycle to accomplish the Governor's goals of affordable housing for New Yorkers across the State.

The next item on the agenda was a report of the Mortgage Insurance Committee. Mr. Kim reported that the MIC held a meeting earlier that day and adopted the minutes of the April 9, 2015 meeting. He next reported that the MIC adopted the following resolutions:

- Approved 100% mortgage insurance for Webster Avenue Supportive Housing Residence, 411 East 178th Street, Bronx, Bronx County.
- Approved 100% mortgage insurance for St. Augustine Apartments, 1180 Fulton Avenue, Bronx, Bronx County.
- Approved 100% mortgage insurance for DePaul Trolley Station Apartments, 2464 County Road 28, Canandaigua, Ontario County.
- Approved 100% mortgage insurance for Lake Ravine Apartments, 468-614 Lake Avenue, Rochester, Monroe County.
- Approved 50% mortgage insurance for Tremont Renaissance Apartments, 4215 Park Avenue, Bronx County.
- Approved 50% mortgage insurance for Lindsay Park, 30 Montrose Avenue, 25, 54 & 91 Boreum St., 31 Leonard St., 67 Manhattan Avenue, 29 Moore Street, 202 Union Avenue, Brooklyn, Kings County.
- Approved 50% mortgage insurance for PRC Andrews Avenue, 955 East 163rd Street, 970 Kelly Street and 1710-1730 Andrews Avenue, Bronx, Bronx County.
- Approved 100% mortgage insurance for 239 & 247 West 145th Street, 210-216 West 140th Street, 60 Saint Nicholas Avenue, Manhattan, New York County.
- Approved 100% mortgage insurance for 261 West 116th Street, 201 West 144th Street,

- 234 Bradhurst Avenue, 377 Edgecombe Avenue, Manhattan, New York County and 270 Rochester Avenue, Brooklyn, Kings County.
- Approved 100% mortgage insurance for Excelsior II Apartments, 120-126 West 169th Street, Bronx County.
 - Jackson Crossing, 71 & 75 Jackson Street, Fishkill, Dutchess County.
 - Approved 100% mortgage insurance for 2264-2274 Loring Place North, Bronx.

The next item on the agenda was the adoption of the minutes of the SONYMA Directors' meeting held on May 14, 2015. Absent comments or corrections from the Directors, Mr. Kim reported that the minutes were deemed approved.

Chairman Thompson stated that the next item on the agenda was a presentation to discuss the Agencies' request for proposal for their Business Applications Modernization Project ("BAM"). Mr. Ken Kramer, Chief Technology Officer made the presentation. He explained that the purpose of the presentation was to provide a project update on the BAM (handouts were distributed). His presentation included a background of the Agencies' business applications; information about a study prepared by a consultant, the Gartner Group, hired by the Agencies to assist them in the planned modernization of its computer systems, key objectives/benefits, a project plan overview and current key milestones (next steps). He noted the fact that applications that were developed, in-house, over the past few decades were done in FoxPro, a currently outdated and unsupported technology from Microsoft, which is problematic as a continued source of IT software for the Agencies.

Mr. Kramer reported that the goal will be to modernize the majority of the Agencies' business applications. He reported that a Request for Proposal ("RFP") is expected to be issued on June 1, 2015 to retain the necessary information technology expertise needed. He said the project will be managed in phases and there will be ongoing maintenance. Mr. Kramer said interviews, review of proposals and vendor selection are projected to take place in September 2015.

Chairman Thompson confirmed that the Agencies would be entering into multi-year contracts. He inquired about the cost, which is projected to be between \$15 and \$20 million in order to update an antiquated system, and asked whether the Agencies have identified the source of funding for these projected costs. Commissioner Towns stated that a cost-analysis should be conducted and a broader conversation is needed to discuss factors outside of the conversion process. Chairman Thompson asked additional questions about the budget for this item as well as about the individuals that would comprise the review committee. Mr. Kramer stated that an internal review committee will be composed of representatives from IT, Finance, Audit, the Business Units, Asset Management and in house Counsel. He also noted that the committee will be assisted in its review by outside counsel hired for this engagement.

Chairman Thompson stated that he assumed that the outside firm will assist, but will not be part of the review committee. Mr. Kramer confirmed this. Chairman Thompson also noted that

sufficient time will be needed to allow for this process, to ensure that the Board is fully aware of all issues and that they are comfortable with the content of the eventual contract with the vendor. He noted that the expected contract signing date contained in the proposed schedule contained in the Board materials was far too aggressive, in that not enough time was allocated for Board review of the contract prior to execution. Mr. Kramer noted the comments and stated that the date would be pushed back to permit a thorough review of the contract prior to execution.

Ms. Rogatz asked if there has been any communication with the New York State Office of Technology Services. It was stated that the NYSOTS has offered to be a resource and would make a very useful resource.

Ms. Miller asked a question as to the other state systems that the Agencies will have to interface with its new systems. Mr. Kramer said that the system would have to interface with compliance tax reporting system.

HFA/AHC Member, Mr. Davidson said it seems like an important and overdue project. He asked about the internal resources, expressing the concern that, given the new systems that will be in place, the Agencies will need to be adequately equipped with the necessary internal IT resources to interact with the new vendors. Mr. Kramer stated that the Agencies need to think about staffing and that the in-house capacity is a concern and is the reason why the Agencies are outsourcing.

Chairman Thompson suggested that Management consider retaining an outside consulting firm experienced in this type of RFP process to monitor the progress and assist the Agencies, particularly considering that this will be a multi-year contract.

Ms. Miller inquired about the RFP advertisements. Mr. Kramer stated that it will be announced on the Agencies' website, sent to vendors of interest, and that a pre-bid conference will be held. Mr. Kim added that all RFPs are in addition published in the NYS Contract Reporter.

The next item on the Agenda was a resolution approving 100% mortgage insurance on a \$15,990,000 HFA permanent first mortgage loan for Webster Avenue Supportive Housing Residence, 411 East 178th Street, Bronx, Bronx County.

Chairman Thompson noted that this item was discussed and voted on earlier in the day at the MIC meeting and is now up for vote by the SONYMA Board. He also noted that there will be no discussion on this item unless the Directors so request.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

**A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY
APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR
THE PROVISION THEROF FOR WEBSTER AVENUE SUPPORTIVE
HOUSING RESIDENCE, 411 EAST 178TH STREET, BRONX, BRONX**

COUNTY

The next action item on the agenda was a resolution approving 100% mortgage insurance on a \$12,910,000 HFA permanent first mortgage loan for St. Augustine Apartments, 1180 Fulton Avenue, Bronx County.

Chairman Thompson noted that this item was discussed and voted on earlier in the day at the MIC meeting and is now up for vote by the SONYMA Board. He also noted that there will be no discussion on this item unless the Directors so request.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEROF FOR ST. AUGUSTINE APARTMENTS, 1180 FULTON AVENUE, BRONX, BRONX COUNTY

The next action item on the agenda was a resolution approving 50% mortgage insurance on a \$34,920,000 HDC permanent first mortgage loan for Tremont Renaissance Apartments, 4215 Park Avenue, Bronx County.

Chairman Thompson noted that this item was discussed and voted on earlier in the day at the MIC meeting and is now up for vote by the SONYMA Board. He also noted that there will be no discussion on this item unless the Directors so request.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEROF FOR TREMONT RENAISSANCE APARTMENTS, 4215 PARK AVENUE, BRONX COUNTY

The next item on the agenda was a resolution approving 50% mortgage insurance on a \$30,920,000 HDC permanent first mortgage loan for Lindsay Park, 30 Montrose Avenue, 25, 54 & 91 Boreum St., 31 Leonard St., 67 Manhattan Avenue, 29 Moore Street, 202 Union

Avenue, Brooklyn, Kings County.

Chairman Thompson noted that this item was discussed and voted on earlier in the day at the MIC meeting and is now up for vote by the SONYMA Board. He also noted that there will be no discussion on this item unless the Directors so request.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR THE PROVISION THEROF FOR LINDSAY PARK, 30 MONTROSE AVENUE, 25, 54 & 91 BOREUM ST., 31 LEONARD ST., 67 MANHATTAN AVENUE, 29 MOORE STREET, 202 UNION AVENUE, BROOKLYN, KINGS COUNTY

The next item on the agenda resolution approving 50% mortgage insurance on an \$18,890,000 HDC permanent first mortgage loan for PRC Andrews Avenue, 955 East 163rd Street, 970 Kelly Street and 1710-1730 Andrews Avenue, Bronx, Bronx County.

Chairman Thompson noted that this item was discussed and voted on earlier in the day at the MIC meeting and is now up for vote by the SONYMA Board. He also noted that there will be no discussion on this item unless the Directors so request.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR PRC ANDREWS AVENUE, 955 EAST 163RD STREET, 970 KELLY STREET AND 1710-1730 ANDREWS AVENUE, BRONX, BRONX COUNTY

The next action item on the agenda was a resolution approving 100% mortgage insurance on a \$7,780,000 CPC permanent first mortgage loan for 239 & 247 West 145th Street, 210-216 West 140th Street, 60 Saint Nicholas Avenue, Manhattan, New York County.

Chairman Thompson noted that this item was discussed and voted on earlier in the day at the MIC meeting and is now up for vote by the SONYMA Board. He also noted that there will be no discussion on this item unless the Directors so request.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

**A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY
APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR 239 &
247 WEST 145TH STREET, 210-216 WEST 140TH STREET, 60 SAINT
NICHOLAS AVENUE, MANHATTAN, NEW YORK COUNTY**

The next action item on the agenda was a resolution approving 100% mortgage insurance on a \$7,319,737 CPC permanent first mortgage loan for Tilley Ladder Apartments, 100-122 2nd Street, Watervliet, Albany County.

Chairman Thompson noted that this item was discussed and voted on earlier in the day at the MIC meeting and is now up for vote by the SONYMA Board. He also noted that there will be no discussion on this item unless the Directors so request.

Considering the first and second motions previously entered, the motions were carried, and the following resolutions were adopted unanimously:

**A RESOLUTION OF THE STATE OF NEW YORK MORTGAGE AGENCY
APPROVING MORTGAGE INSURANCE AND A COMMITMENT FOR TILLEY
LADDER APARTMENTS, 100-122 2ND STREET, WATERVILLET, ALBANY
COUNTY**

There being no unfinished business, Mr. Kim asked for a motion to adjourn the meeting. Chairman Thompson moved to adjourn; Ms. Rogatz seconded the motion, and the meeting was adjourned at 9:12 a.m.”.

Mr. Kim informed the Directors that the next Board meeting is scheduled for Thursday, June 11, 2015, at 8:30 a.m.



C. Jason Kim, Secretary