

**MINUTES OF THE 13TH MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY'S
FINANCE AND PROGRAM COMMITTEE
HELD ON OCTOBER 6, 2011 AT 2:10 P.M
AT ITS OFFICES AT 641 LEXINGTON AVENUE**

MEMBERS AND DESIGNEES

PRESENT

Karen A. Phillips	Member
Royce Mulholland	Member
Meghan Anderson	Division of the Budget, representing Robert Megna, Member (via video conference)

Vice Chairperson Phillips chaired the meeting; Alejandro J. Valella, Vice President and Deputy Counsel, acted as secretary.

The first item on the agenda was the approval of the minutes of 12th HFA Finance and Program Committee, held on September 15, 2011, which minutes were deemed approved, absent corrections from Members.

The next item on the agenda was resolutions authorizing financing approval in an amount not to exceed \$260,000,000 for 160 West 62nd Street Apartments. Ms. Zucker presented on this project by summarizing the financing request. She stated that this was an 80/20 project, that 68 units would be set aside for tenants with incomes at or below 50% of AMI, that the project's total development cost is estimated to be about \$323.5 million, and that the project is expected to create 750 construction jobs and 28 permanent jobs. Next, she outlined the sources of the borrower's equity and discussed the project costs related to land acquisition, hard costs, and soft costs. She also noted that the project site was acquired from Fordham University. She then explained the project's high costs per unit, but she then distributed a chart showing how these costs compared to other projects financed by HFA.

HFA Board Member Steven Weiss commented that the comparison chart was very helpful and stated he wished the chart could be expanded with additional categories. He then asked for a breakdown on the \$63 million estimated cash equity to be provided by the borrower. Ms. Zucker responded that it was entirely a cash contribution. This discussion related to HFA's calculation of its fees. Ms. Zucker noted that the borrower was already spending money because construction had already commenced.

HFA Board Member, Mr. Weiss then asked for clarification on the access or easement provided to this project site by an adjacent site. Vice Chairperson Phillips then disclosed that she is a Member of the New York City Planning Commission and that the SEQRA for this project had been before the Commission. However, she stated that it was not necessary that she recuse herself because she has no “fiduciary benefit.” She then expressed some policy concerns related to the amount of bond financing relative to the amount of low income units. She stated that this policy concern was a long-term concern of the Board. At this point, there were no further comments or questions.

Royce Mulholland moved to adopt the resolutions; Meghan Anderson seconded the motion; and the following resolutions were adopted unanimously:

AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN MATTERS IN CONNECTION WITH THE FINANCING OF THE PROJECT KNOWN AS 160 WEST 62ND STREET APARTMENTS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 160 WEST 62ND STREET APARTMENTS HOUSING REVENUE BONDS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 160 WEST 62ND STREET HOUSING REVENUE BONDS, 2011 SERIES A-1, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$260,000,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 160 WEST 62ND STREET HOUSING REVENUE BONDS, 2011 SERIES A-2, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$260,000,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 160 WEST 62ND STREET HOUSING REVENUE BONDS, 2011 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$260,000,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 160 WEST 62ND STREET HOUSING REVENUE BONDS, 2012 SERIES A-1, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$260,000,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 160

WEST 62ND STREET HOUSING REVENUE BONDS, 2012 SERIES A-2, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$260,000,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 160 WEST 62ND STREET HOUSING REVENUE BONDS, 2012 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$260,000,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 160 WEST 62ND STREET HOUSING REVENUE BONDS, 2013 SERIES A-1, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$260,000,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 160 WEST 62ND STREET HOUSING REVENUE BONDS, 2013 SERIES A-2, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$260,000,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 160 WEST 62ND STREET HOUSING REVENUE BONDS, 2013 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$260,000,000.

The next item on the agenda was resolutions authorizing financing approval in an amount not to exceed \$78,500,000 for 111 Nassau Street Apartments. Ms. Zucker presented on this project by summarizing the financing request. She stated that this was an 80/20 project, that 34 units would be set aside for tenants with incomes at or below 50% of AMI, that the project's total development cost is estimated to be about \$125 million, and that the project is expected to create 500 construction jobs. Next, she outlined the sources of the borrower's equity, including a requirement that the borrower provide an equity letter of credit. She also discussed the project costs related to land acquisition, hard costs, and soft costs. She then noted that the project would result in residential space, office space, and retail space. A chart was distributed, which showed this project's costs compared to other projects financed by HFA.

At this point, Ms. Zucker and the Board engaged in a conversation regarding the general resolution permitting 80/20 financing. Vice Chairperson Phillips noted the amount of jobs that this project would create, but she then asked about efforts to ensure local workers were hired. Ms. Zucker mentioned HFA's compliance with the M/WBE programs. There was then a general discussion on how to facilitate more local hiring on these projects.

Royce Mulholland asked about the tax credit pricing on this deal. Ms. Zucker responded that there was no tax credit syndication on this deal.

Royce Mulholland moved to adopt the resolutions; Meghan Anderson seconded the motion; and the following resolutions were adopted unanimously:

AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN MATTERS IN CONNECTION WITH THE FINANCING OF THE PROJECT KNOWN AS 111 NASSAU STREET.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 111 NASSAU STREET HOUSING REVENUE BONDS, 2011 SERIES A IN A PRINCIPAL AMOUNT NOT EXCEEDING \$78,500,000 (TAX EXEMPT).

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 111 NASSAU STREET HOUSING REVENUE BONDS, 2011 SERIES B IN A PRINCIPAL AMOUNT NOT EXCEEDING \$78,500,000 (TAXABLE).

The next item on the agenda was resolutions authorizing financing approval in an amount not to exceed \$9,460,000 for Wartburg Marie Heins Senior Apartments. Ms. Zucker presented on this project by summarizing the financing request. She outlined that this project would result in 61 units of senior affordable housing and that the project's total development cost would be about \$17 million. Next, she explained that this project would be located on the campus of the Wartburg Home of the Evangelical Lutheran Church. She also mentioned that this project would be supported by an HFA subsidy loan, low-income housing tax credits, a loan from the Wartburg Foundation, as well as a Health Efficiency and Affordability Loan. She noted the tax credits are expected to be priced at 95 cents. Lastly, she described the borrower's managing member, the managing agent, and the general contractor.

Vice Chairperson Phillips and Ms. Zucker then discussed that the project would create independent senior living as opposed to assisted senior living. Ms. Zucker then assured Vice Chairperson Phillips that the units created would be open to the general public and widely marketed.

HFA Board Member Steven Weiss then wanted to clarify whether the bonds would be issued through the New Issue Bond Program. Ms. Zucker responded that it was expected that the bonds would be issued through the New Issue Bond Program. Mr. Weiss and Ms. Zucker then discussed the New Issue Bond Program's letter of credit requirement.

Vice Chairperson Phillips asked about the Health Efficiency and Affordability Loan. Ms. Zucker explained that this loan program was administered through the New

York State Department of Health and that the program was partially funded by the Dormitory Authority of the State of New York. She also summarized that the program exists to improve long-term care services and develop community-based alternatives to traditional nursing home care.

Royce Mulholland moved to adopt the resolutions; Meghan Anderson seconded the motion; and the following resolutions were adopted unanimously:

AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN MATTERS IN CONNECTION WITH THE FINANCING OF THE PROJECT KNOWN AS WARTBURG MARIE LOUISE HEINS SENIOR APARTMENTS.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2011 SERIES __ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$9,460,000.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS (FEDERAL NEW ISSUANCE BOND PROGRAM), ADDITION SERIES 1 PARITY BOND RESOLUTION IN A PRINCIPAL AMOUNT NOT EXCEEDING \$9,460,000.

The next item on the agenda was resolutions authorizing financing approval in an amount not to exceed \$9,200,000 for Bradmar Village Apartments. Ms. Zucker presented on this project by summarizing the financing request. She outlined that the project's total development cost would be about \$15.5 million and that the project would rehabilitate an existing Section 8 affordable housing project with 100 units. She noted that the rehabilitation would include significant interior and exterior capital improvements and apartment upgrades. Next, she mentioned that this project would be supported by an HFA subsidy loan and low-income housing tax credits. The tax credits are expected to be priced at 89 cents. She then highlighted that the bonds would be issued through the New Issue Bond Program, that JP Morgan Chase would provide a letter of credit during the rehabilitation period, and that the SONYMA Mortgage Insurance Fund would provide credit enhancement during the permanent loan period. She also noted that the financing is expected to provide approximately 100 full-time construction jobs. A chart was then distributed, which showed this project's costs compared to other projects financed by HFA. Lastly, Ms. Zucker described the fee owner, beneficial owner, and managing agent. She then expanded on PathStone's involvement in the project.

HFA Board Member Steven Weiss then disclosed that he represents PathStone. However, he stated he did not have a conflict of interest and he did not have to recuse himself because he was not involved in representing PathStone on this project.

Royce Mulholland moved to adopt the resolutions; Meghan Anderson seconded the motion; and the following resolutions were adopted unanimously:

AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN MATTERS IN CONNECTION WITH THE FINANCING OF THE PROJECT KNOWN AS BRADMAR VILLAGE APARTMENTS.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2011 SERIES __ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$9,200,000.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS (FEDERAL NEW ISSUANCE BOND PROGRAM), ADDITION SERIES 1 PARITY BOND RESOLUTION, 2011 SERIES __ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$9,200,000.

The next item on the agenda was resolutions authorizing financing approval in an amount not to exceed \$6,820,000 for Gateway Gardens Apartments. Ms. Zucker presented on this project by summarizing the financing request. She noted the project's location in Suffolk County and then outlined that the project's total development costs would be about \$9.5 million. She also discussed that the project would rehab 40 units and construct another two units, and that 39 of these units would be set aside for tenants with incomes at or below 60% of AMI. She described the rehabilitation as including the replacement of heating systems, electrical systems, roofs, windows, bathrooms, kitchens, flooring, lighting, insulation, doors, repairs to brick pointing, repairs to exterior siding, repairs and painting of interior walls, landscaping, repaving of parking lots and repair of sidewalks. She explained that the project would benefit from Project Based Section 8 Vouchers and low-income housing tax credits. The tax credits are expected to be priced at 97 cents. Next, she noted that the bonds would be issued through the New Issue Bond Program, that The Bank of New York would provide a letter of credit during the rehabilitation and construction period, and that the SONYMA Mortgage Insurance Fund would provide credit enhancement during the permanent loan period. Ms. Zucker then noted that the borrower is acquiring the property from the Huntington Housing Authority. She noted though that the Managing Member of the borrower will be a corporation whose members will be local housing and business leaders including some or all of those currently on the Board of the Huntington Housing Authority. She also described both the developer and managing agent as experienced.

Lastly, she thanked Gail Bressler, Vice President of Multifamily Finance, and her staff for their hard work identifying the subsidy to help make this project possible.

Royce Mulholland moved to adopt the resolutions; Meghan Anderson seconded the motion; and the following resolutions were adopted unanimously,

AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN MATTERS IN CONNECTION WITH THE FINANCING OF THE PROJECT KNOWN AS GATEWAY GARDENS APARTMENTS.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2011 SERIES ___ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$6,820,000.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS (FEDERAL NEW ISSUANCE BOND PROGRAM), ADDITION SERIES 1 PARITY BOND RESOLUTION IN A PRINCIPAL AMOUNT NOT EXCEEDING \$6,820,000.

The next item on the agenda was resolutions authorizing financing approval in an amount not to exceed \$6,000,000 for Towpath Preservation Apartments. Ms. Zucker presented on this project by summarizing the financing request. She noted the project's location in Wayne County and then outlined that the project's total development costs would be about \$9.5 million. She also discussed that the project would rehab three existing Section 8 senior affordable buildings in which all 97 units are expected to be set aside for seniors with incomes at or below 60% of AMI. She also mentioned that this project would be supported by an HFA subsidy loan and low-income housing tax credits. The tax credits are expected to be priced at 87 cents. The borrower has applied for a Federal Home Loan Bank loan and some of the proceeds from this loan will be applied to reimburse the HFA's subsidy loan. She also described the general contractor as experienced. Lastly, she noted that the financing is expected to provide approximately 21 construction jobs.

HFA Board Member, Thomas Mattox then inquired about whether these projects purchase local building supplies. Next, Royce Mulholland asked about these tax credits being priced at 87 cents considering that other projects in Upstate New York were priced slightly higher. Ms. Zucker responded that the pricing on these tax credits was reasonable and suggested that this allocation was priced lower because the total allocation for this project was under \$3 million.

HFA Board Member Steven Weiss previously disclosed that he represents PathStone. He previously stated though that he did not have a conflict of interest and he did not have to recuse himself because he was not involved in representing PathStone on this project.

Royce Mulholland moved to adopt the resolutions; Meghan Anderson seconded the motion; and the following resolutions were adopted unanimously:

AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN MATTERS IN CONNECTION WITH THE FINANCING OF THE PROJECT KNOWN AS TOWPATH PRESERVATION APARTMENTS.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2011 SERIES __ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$6,000,000.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS (FEDERAL NEW ISSUANCE BOND PROGRAM), ADDITION SERIES 1 PARITY BOND RESOLUTION, 2011 SERIES __ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$6,000,000.

The next item on the agenda was resolutions authorizing financing approval in an amount not to exceed \$4,500,000 for Village Square Senior Apartments. Ms. Zucker presented on this project by summarizing the financing request. She explained that this financing would fund the rehabilitation of an existing Mitchell-Lama project located in Steuben County. She noted that the project contains a total of 75 units, of which 64 units are expected to be set aside for senior households with incomes at or below 60% of AMI. She then outlined the project's total development costs, which are estimated to be about \$6.5 million. Lastly, she noted that the financing is expected to provide approximately 13 construction jobs.

Steven Weiss, Commissioner Towns, both HFA Board Members, and Ms. Zucker then discussed the relationship between the regional economic development councils and the proceeds from HFA's subsidy loans. Vice Chairperson Phillips then inquired about how the financing would be dispersed to the borrower. Gail Bressler explained that this disbursement was unique because the borrower was taking on some risk since it is spending funds up front and being reimbursed by HFA at a later date.

Royce Mulholland moved to adopt the resolutions; Meghan Anderson seconded the motion; and the following resolutions were adopted unanimously:

AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN MATTERS IN CONNECTION WITH THE FINANCING OF THE PROJECT KNOWN AS VILLAGE SQUARE SENIOR APARTMENTS.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2011 SERIES __ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$4,500,000.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS (FEDERAL NEW ISSUANCE BOND PROGRAM), ADDITION SERIES 1 PARITY BOND RESOLUTION, 2011 SERIES __ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$4,500,000.

There being no unfinished business, Royce Mulholland moved to adjourn the meeting; Meghan Anderson seconded the motion; and the meeting was adjourned at 3:08 P.M.



Secretary