

**MINUTES OF THE  
REGULAR MEETING OF THE  
MORTGAGE INSURANCE COMMITTEE OF THE  
STATE OF NEW YORK MORTGAGE AGENCY  
HELD ON DECEMBER 3, 2009 AT 11:35 P.M.  
AT ITS OFFICES AT 641 LEXINGTON AVENUE  
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
Naomi Bayer	Director
Don Lebowitz	Director
Deborah VanAmerongen	Director
Elaine McCann	Division of the Budget, representing Robert Megna, Director (via video conference)

Chairman Levy chaired the meeting; M. Lauren McGill, Vice President and Counsel to the Mortgage Insurance Fund, acted as secretary.

Chairman Levy noted that Elaine McCann was participating in the meeting via video conference from the New York State Division of Budget conference center at the Capital Building, Room 143, in Albany. A public notice was given of the time and locations of both venues.

\* **Item number 1 on the agenda was the presentation of the minutes of the meeting of the Mortgage Insurance Committee held on November 5, 2009.** There being no objections or corrections suggested by the Directors, the minutes were deemed approved.

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\* **Item number 2 on the agenda was a resolution recommending the approval of 100% mortgage insurance on a \$23,280,000 HDC permanent first mortgage loan for the rehabilitation of West 135<sup>th</sup> Street Apartments, Manhattan, New York County, containing 196 low-income units. Certificate #10-1628.** Michael Friedman, Senior Vice President and Director of the Mortgage Insurance Fund, 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 all units in this heavily-subsidized low-income project have Section 8 vouchers. Chairman Levy questioned the high operating costs for the project.

Friedman explained that real estate taxes, security and high payroll costs were contributing factors.

Mr. Lebowitz noted that the financial information presented for this occupied project was based on projected rather than actual expenses. Chairman Levy requested that actual expenses, rather than projections, be used for underwriting occupied projects in the future. In response to a question from Mr. Lebowitz, Mr. Friedman confirmed that the purchase price for this related-party acquisition was supported by an appraisal.

Mr. Lebowitz moved to adopt the resolution. Ms. VanAmerongen seconded the motion, and the resolution was adopted unanimously.

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\* **Item number 3 on the agenda was a resolution recommending approval of 100% mortgage insurance on a \$14,770,000 HDC permanent mortgage loan for the rehabilitation of 1458 5<sup>th</sup> Avenue, Manhattan, New York County, containing 120 low-income units. Certificate #10-1638.** 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 this was a moderate rehab project with all low-income units and a project-based Section 8 HAP contract. Chairman Levy asked how the Article 11 tax exemption benefit differs from J-51 tax abatement. Ms. VanAmerongen clarified that Article 11 tax exemptions, unlike J-51 abatements, do not expire.

Mr. Lebowitz questioned the project's need for extensive rehabilitation, noting that it was built in the 1980's and had been rehabilitated by the seller. Ms. VanAmerongen explained that during prior financing under HUD's mark-to-market program, there was insufficient rehabilitation done which accounts for the current post mark-to-market restructuring and additional rehabilitation.

Ms. Bayer moved to adopt the resolution; Ms. VanAmerongen seconded the motion; and the resolution was adopted unanimously.

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\* **Item number 4 on the agenda was a resolution recommending the approval of 100% mortgage insurance on a \$14,600,000 HDC permanent mortgage loan for the rehabilitation of MBD Plaza, 1441 Boston Road and 1700 Bryant Avenue, Bronx, Bronx County, containing 184 low-income units for seniors. Certificate #10-1632.** 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 was a moderate rehab, heavily-subsidized project, with all low-income units and a project-based Section 8 HAP contract. He stated that this was a related-party transaction and added that maintenance and operating expenses were low because there were no real estate taxes.

Ms. VanAmerongen moved to adopt the resolution; Mr. Lebowitz seconded the motion; and the resolution was adopted unanimously.

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\* **Item number 5 on the agenda was a resolution approving 100% mortgage insurance on a \$4,770,000 HDC permanent first mortgage loan for the rehabilitation of 2059-2061 & 2063-2071 Madison Avenue, Manhattan, New York County containing 54 low-income units. Certificate #10-1627.** 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 this was a moderate rehab of mostly low-income units, with a project-based Section 8 HAP contract which covers 43 out of the 54 units. He added that renewal of the existing HAP contract was a condition precedent to declaring mortgage insurance effective.

Ms. Bayer moved to adopt the resolution; Ms. VanAmerongen seconded the motion; and the resolution was adopted unanimously.

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\* **Item number 6 on the agenda was a resolution approving 100% mortgage insurance on a \$5,000,000 CPC permanent mortgage loan for the construction of 1 Provider Hamaspik Way, Kiryas Joel, Orange County, an OMRDD-funded community services facility. Certificate #5-23210-1485.** 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 this project differs from other Office of Mental Retardation and Developmental Disabilities ("OMRDD") funded projects in that this project contains an out-patient facility, but no residential component for tenants with developmental disabilities. Mr. Friedman confirmed that, although the operator is sectarian, the facility is open to all.

Ms. Bayer moved to adopt the resolution; Ms. VanAmerongen seconded the motion; and the resolution was adopted unanimously.

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\* **Item number 7 on the agenda was a resolution approving 100% mortgage insurance on a \$3,530,000 CPC permanent first mortgage loan for the construction of Royal Sunset Townhouse Apartments, 662-699 Royal Sunset Drive, Webster, Monroe County, containing 33 affordable units. Certificate #2-104.** 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 was initially built as market-rate condominiums, but was being converted to rental units. Chairman Levy asked if there were any assurances that the MIF was not bailing out a bad project or, alternatively, if there was anything to prevent conversion to condominium ownership. Ms. VanAmerongen noted that all plans for condominium or cooperative conversion are filed with and approved by the Attorney General's office. Ms. Bayer suggested that the Board establish policies for similarly structured projects.

Ms. Bayer moved to adopt the resolution; Ms. VanAmerongen seconded the motion; and the resolution was adopted unanimously.

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\* **Item number 8 on the agenda was a resolution approving 100% mortgage insurance on a \$2,705,000 CPC permanent mortgage loan for the rehabilitation of Van Rensselaer Village Apartments, 16<sup>th</sup> Street & Early Drive, Watervliet, Albany County, containing 81 low-income units. Certificate #6-244.** Mr. Friedman highlighted certain information contained in the materials provided to the Directors in connection with this item, and noted that the selling price had been reduced to one million dollars, which was not reflected in the board package. Mr. Friedman stated that this was a highly-subsidized, substantial rehab of all low-income units, with Section 8 project-based vouchers.

Ms. Bayer moved to adopt the resolution; Ms. VanAmerongen seconded the motion; and the resolution was adopted unanimously.

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\* **Item number 9 on the agenda was for Information only.**

Mr. Levy asked Mr. Friedman if there was anything that should be highlighted from the information items. Mr. Friedman stated that proceeds of the tax surcharge collections had trended downward to \$6.9 million, from the \$7 million per month previously reported.

Chairman Levy suggested that it would be helpful to the Committee, particularly to new members, to provide an overview of the MIF portfolio, including its history, types of loans, its assets, its largest originators and geographic exposure.

There being no unfinished business, Ms. Bayer moved to adjourn; Ms. VanAmerongen seconded the motion; and the meeting was adjourned at 12:55 p.m.



M. Lauren McGill  
M. Lauren McGill  
Secretary