

NEW YORK STATE PUBLIC AUTHORITIES CONTROL BOARD

R E S O L U T I O N No. 16-HF-642

APPROVING A SPECIFIED PROJECT OF THE HOUSING FINANCE AGENCY
(Affordable Housing Revenue Bonds - Marion Avenue Apartments)

WHEREAS, the New York State Public Authorities Control Board ("PACB"), created pursuant to Chapter 38, Laws of 1976, as amended, is empowered by Section 51 of the Public Authorities Law to receive applications from designated public benefit corporations, including the Housing Finance Agency ("HFA"), for approval of the acquisition, rehabilitation, construction or financing of any project proposed by any such public benefit corporation; and

WHEREAS, the PACB has duly received an application from HFA for approval of the financing of the construction of 100 units of rental housing, to be known as Marion Avenue Apartments (the "Project"), for households who earn no more than 60% of the Area Median Income ("AMI"), adjusted for family size, for the New York, NY HUD Metro FMR Area, where sixty-five (65) of the revenue-generating units will be set aside for households in which at least one member suffers from mental illness, to be partially financed through the issuance of bonds in an amount not to exceed \$23,600,000; and

WHEREAS, HFA intends to provide for the financing for the Project through the issuance of one or more series of fixed-rate, taxable bonds or fixed-rate, tax-exempt bonds in accordance with applicable provisions of the Internal Revenue Code of 1986, as

amended, with a final maturity of not more than 40 years (the "Bonds"); and

WHEREAS, the Bonds will be issued under the Affordable Housing Revenue Bonds Bond Resolution, adopted by the HFA Members on August 22, 2007, as supplemented (the "Affordable Housing Resolution"); and

WHEREAS, the Loan (as defined below) and other collateral for the Bonds, and the loans and collateral financed or refinanced with proceeds of additional bonds, if any, issued under the Affordable Housing Resolution, may be pledged to secure all bonds outstanding from time to time under the Affordable Housing Resolution; and

WHEREAS, to the extent the Bonds are issued as tax-exempt bonds, such Bonds will require an allocation of the State's Private Activity Bond Cap; and

WHEREAS, HFA intends to award the Bonds by either negotiated sale or by a private placement; and

WHEREAS, HFA expects to finance the Project through a mortgage loan (the "Loan") to PCMH Marion Avenue, L.P., with the developer being Postgraduate Center for Mental Health ("PCMH"), a 501(c)(3) organization controlled by a community-based board of directors, in the maximum aggregate amount of \$23,600,000, with the Loan amortizing over not more than 40 years; and

WHEREAS, the total estimated cost of the construction of the Project is approximately \$41,952,210 comprised of the requested bond financing, an HTFC Supportive Housing Opportunity Program loan, OMH capital and debt service payments, a NYSERDA subordinate loan, OTDA HHAP funds, DOHMH funding, federal low income housing tax credits, Borrower equity in the form of deferred developer fee, and a 420-c real estate tax abatement from the City of New York for a term of 30 years; and

WHEREAS, the Loan will be secured by a letter of credit provided by Citibank, N.A. or another financial institution acceptable to the Agency, and the SONYMA Mortgage Insurance Fund will provide insurance during the permanent loan period; and

WHEREAS, if upon final certification of costs of the Project it is determined that the costs of the Project that are eligible for tax-exempt reimbursement are lower than anticipated, requiring the redemption of tax-exempt Bonds previously issued, then HFA may redeem said amount of the tax-exempt Bonds and issue a like amount of taxable Bonds provided that the aggregate amount of Bonds outstanding at any time does not exceed \$23,600,000; and

WHEREAS, a copy of HFA's application has been duly filed with the Comptroller and he has had an opportunity to comment;

NOW, THEREFORE, BE IT RESOLVED, that PACB approves the Project identified below, in accordance with Section 51 of the Public

Authorities Law:

Project Description

Marion Avenue Apartments

The new construction of 100 units of housing in the City of New York.

(Bronx County)

| <u>Sources of Funds-Construction</u> | <u>Estimated Amount</u> |
|---|-------------------------|
| HFA First Mortgage | \$ 7,895,000 |
| HFA First Mortgage - OMH Supported Debt | \$ 13,500,000 |
| HTFC SHOP Subsidy Loan | \$ 0 |
| HTFC SHOP Accrued Interest | \$ 0 |
| Tax Credit Equity: LIHTC | \$ 1,073,250 |
| OTDA HHAP | \$ 5,500,000 |
| OTDA HHAP Accrued Interest | \$ 577,500 |
| OMH STIP Funding | \$ 8,806,131 |
| Sponsor Loan (OMH PDG) | \$ 202,500 |
| Deferred Expenses | \$ 74,000 |
| Deferred Developer Fee | \$ 4,323,829 |
| Total Sources | \$ 41,952,210 |

| <u>Sources of Funds-Permanent</u> | <u>Estimated Amount</u> |
|---|-------------------------|
| HFA First Mortgage | \$ 1,300,000 |
| HFA First Mortgage - OMH Supported Debt | \$ 13,500,000 |
| HTFC SHOP Subsidy Loan | \$ 2,520,000 |
| HTFC SHOP Accrued Interest | \$ 0 |
| Tax Credit Equity: LIHTC | \$ 17,517,556 |
| OTDA HHAP | \$ 5,500,000 |
| OTDA HHAP Accrued Interest | \$ 577,500 |
| NYSERDA | \$ 120,000 |
| Sponsor Loan (OMH PDG) | \$ 202,500 |
| Deferred Developer Fee | \$ 714,654 |
| Total Sources | \$ 41,952,210 |

| <u>Uses of Funds</u> | |
|----------------------|---------------|
| Project Cost | \$ 41,272,392 |
| Cost of Issuance | \$ 500,100 |
| Bond Issuance Fee | \$ 179,718 |
| Total Uses | \$ 41,952,210 |

Maximum Amount of Bonds to be Issued:
Not to Exceed \$23,600,000 Outstanding At Any Time.

* * * * *

The resolution shall become effective upon:

1. A determination by HFA of the availability of Total Development Cost;
2. Receipt of a rating on the Bonds of not less than "A" from any nationally recognized rating agency from which a rating is requested; and
3. The award of Bonds at negotiated sale or private placement at a net interest cost not to exceed 7.50%.



Robert F. Mujica, Jr., Chair
Public Authorities Control Board



James F. Brennan, Member of the Board



James L. Seward, Member of the Board

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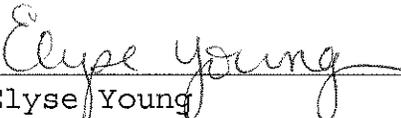
Date: October 19, 2016

CERTIFICATION

STATE OF NEW YORK
COUNTY OF ALBANY ss.

I, Elyse Young, Secretary of the New York State Public Authorities Control Board, do hereby certify that at a meeting of such Board, held on October 19, 2016, the attached resolution was duly adopted by the unanimous vote of the Members of the Board. The resolution attached is a true copy of the resolution and the certification of the determination made by such resolution and of the signatures thereto of each of the Members of the Board or their duly appointed representatives, the original of which is on file in my office. As of the date of this certification, such resolution has not been modified, superseded, amended or repealed and remains in full force and effect.

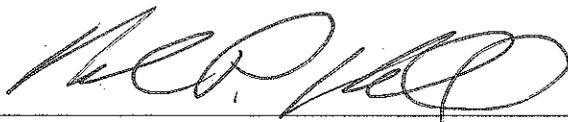
In witness thereof I have hereunto set my hand this 19th day of October 2016.



Elyse Young
Secretary

STATE OF NEW YORK
COUNTY OF ALBANY ss.

On this 19th day of October 2016, before me personally came Elyse Young to me known, who, being by me duly sworn, did depose and say that she is the Secretary of the New York State Public Authorities Control Board, that she executed the foregoing certification and that the contents thereof are true.



Michael P. Kendall
Notary Public, State of New York
Qualified in Albany County
Commission expires: 10/04/2017
Reg. No. 01KE6031437