NYC HDC

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

**MEMORANDUM**

**To:** The Chairperson and Members

**From:** Gary Rodney
President

**Date:** September 15, 2016

**Re:** Multi-Family Housing Revenue Bonds, 2016 Series F, G-1, G-2 and H

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I am pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2016 Series F, 2016 Series G-1 and 2016 Series G-2 (the "2016 Series F Bonds", the "2016 Series G-1 Bonds" and the "2016 Series G-2 Bonds" respectively) in an amount not expected to exceed $235,000,000 to finance the construction, acquisition, rehabilitation and/or permanent financing of certain projects and other activities as described herein.

On June 1, 2016, the Members approved the 231st Supplemental Resolution under the Corporation's Multi-Family Housing Revenue Bonds Bond Resolution originally adopted by the Members in 1993 (the "Open Resolution"). It is anticipated that in connection with the issuance of the 2016 Series F Bonds, the 2016 Series G-1 Bonds and the 2016 Series G-2 Bonds, the 231st Supplemental Resolution will be re-designated as authorizing the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2016 Series H (the "2016 Series H Bonds" and, together with the 2016 Series F Bonds, the 2016 Series G-1 Bonds and the 2016 Series G-2 Bonds, the "Bonds"). Updated information regarding the terms and uses of the 2016 Series H Bonds is contained herein.

The Members are further being asked to approve the purchase of an interest rate hedge in a notional amount not expected to exceed $100,000,000 to manage its interest rate risk relating to the variable rate 2016 Series G-2 Bonds and other variable rate bonds outstanding under the Open Resolution.

Interest on the 2016 Series F Bonds and the 2016 Series H Bonds is expected to be exempt from Federal, state and local income tax, and such bonds will qualify as tax-exempt private activity bonds with a combination of an allocation of "recycled" volume cap in accordance with the Housing and Economic Recovery Act of 2008 and the refunding of certain outstanding bonds of the Corporation. Interest on the 2016 Series G-1 Bonds and the 2016 Series G-2 Bonds

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(collectively, the "2016 Series G Bonds" ) is not expected to be exempt from Federal income tax, but is expected to be exempt from state and local income tax.

The Corporation expects to designate the 2016 Series F Bonds and the 2016 Series G Bonds as Sustainable Neighborhood Bonds.

The anticipated interest rates, maturity dates and other relevant terms of the Bonds are described herein.

Finally, Members are being asked to approve the pledge from time to time of one or more mortgage loans to the Corporation's Multi-Family Secured Mortgage Revenue Bonds Bond Resolution (the "Secured Resolution") adopted by the Members on May 10, 2005 to replace loans that prepay. The Corporation expects to pledge the mortgage loan for the Silverleaf Development which was originally financed under the Open Resolution and will be released from the Open Resolution and pledged to the Secured Resolution to replace a loan that recently prepaid.

The Authorizing Resolution will authorize the 232$^{nd}$, 233$^{rd}$ and 234$^{th}$ Open Resolution Supplemental Resolutions and the 6$^{th}$ Secured Resolution Supplemental Resolution.

Following is a background of the Open Resolution, the proposed uses of the Bonds, a description of their structure and security and a description of the proposed interest rate hedge.

**Background and Status of the Open Resolution**

Under the Open Resolution, the Corporation has issued bonds (a) to finance or acquire mortgage loans for multi-family rental and cooperative housing developments throughout New York City, (b) to refund other bond issues of the Corporation, which had financed other multi-family developments, and (c) to acquire a 100% interest in City-owned mortgages. As of July 31, 2016, there were 916 mortgage loans (789 permanent loans and 127 construction loans) held under the Open Resolution with a total outstanding principal balance of approximately $4,801,901,300 including $3,687,276,797 in permanent loans and $1,114,624,503 in construction loans. These mortgage loans, together with funds in the Bond Proceeds Account and Debt Service Reserve Account totaled $5,996,374,286 as of July 31, 2016. There are no material monetary defaults on any of the mortgage loans other than temporary financial difficulties with respect to certain developments which are in the process of being cured. As of July 31, 2016, there were $5,286,370,000 of Open Resolution Bonds outstanding, not including bonds issued under the Federal New Issue Bond Program (NIBP).

**Proposed Uses for the 2016 Series F Bond Proceeds**

It is anticipated that the proceeds of the 2016 Series F Bonds, in an amount not to exceed $95,000,000, will be used to refund certain of the Corporation's Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), 2009 Series 1 and 2009 Series 2 (the "NIBP Series 1 Bonds," and "NIBP Series 2 Bonds," respectively, and collectively, the "NIBP Bonds"). The tax-exempt rates currently available offer the Corporation an economic refunding opportunity for certain NIBP Series 1 Bonds and NIBP Series 2 Bonds that were financed at higher interest rates.

In connection with the refunding, all or a portion of up to eleven (11) mortgage loans relating to the NIBP Bonds will be released from the applicable NIBP Series 1 Resolution or NIBP Series 2 Resolution, and will be pledged to the Open Resolution. The amount of the 2016 Series F Bonds will be determined based on the interest rate savings available by such refunding.

For more information on the individual projects, please see Attachment "A".

**Proposed Uses for the 2016 Series G Bond Proceeds**

It is anticipated that a portion of the 2016 Series G Bonds will be used to finance mortgage loans for three (3) developments as described in the chart below:

| Development Name (Borough/Number of units) | Project Type | Loan* | Expected Not to Exceed Amount |
|---|---|---|---|
| Nordeck (Queens/342) | Mitchell-Lama Restructuring Program | Senior Loan | $14,625,000 |
| Scott Tower (Bronx/352) | Mitchell-Lama Restructuring Program | Senior Loan | 8,150,000 |
| | | Subordinate Loan | 750,000 |
| Tilden Towers I (Bronx/126) | Mitchell-Lama Restructuring Program | Senior Loan | 7,645,000 |
| | | Subordinate Loan | 530,000 |
| | | **TOTAL:** | **$31,700,000** |

The three (3) Mitchell-Lama developments are expected to receive additional subordinate financing funded from the Corporation's unrestricted reserves. The aggregate amount of such subordinate financing is not expected to exceed $8,355,000. The subordinate loans are expected to have an interest rate equal to the Applicable Federal Rate as recently published by the Internal Revenue Service, with set lower monthly payments, to be advanced during construction and to remain in the project as permanent loans.

The Scott Tower development is expected to receive restructured subordinate mortgage loans pursuant to a Purchase and Sale Agreement with the City of New York.

The Nordeck and Scott Tower developments have previously received senior loans under the Open Resolution.

For more information on the three (3) Mitchell-Lama developments, please see Attachments "B-1-B-3".

An additional portion of the 2016 Series G Bonds is expected to be used to acquire (i) approximately $76,000,000 of subordinate mortgage loans previously funded by the Corporation with its own corporate funds, including certain subordinate mortgage loans and (ii) ten (10) senior mortgage loans for Progress of People developments previously financed with the Corporation's Multi-Family Rental Housing Revenue Bonds (Progress of Peoples Developments), 2005 Series B Bonds approved by the Members on November 7, 2005.

For more information on these projects, please see Attachment "C".

**Proposed Uses for the 2016 Series H Bond Proceeds**

It is anticipated that the 2016 Series H Bonds will be issued as a convertible option bond ("COB") to preserve tax-exempt "recycled" volume cap in excess of the amounts currently needed by both the Corporation and the New York State Housing Finance Agency.

If issued, the proceeds of the 2016 Series H Bonds, in an amount expected not to exceed $22,000,000, are expected to provide first position construction and permanent financing for the new construction or acquisition and rehabilitation of certain developments, all of which are listed on Attachment "D" and which will reserve a minimum of 20% of the units for households earning no more than 50% of the AMI or 25% of the units for households earning no more than 60% of the AMI. The mortgage loans for these developments are expected to close in 2016 or early 2017 at which point the 2016 Series H Bonds will be remarketed or refunded to match the terms of the applicable mortgage loans.

Most of the developments listed will not be funded from the proceeds of the 2016 Series H Bonds but all will be eligible for such financing.

**Structure of the Bonds**

The Bonds are expected to be issued in the modes described below, however, the Authorizing Resolutions relating to the Bonds will provide that a senior officer of the Corporation may determine to combine supplemental resolutions or issue the Bonds in multiple issuances pursuant to the same resolution as long as the total amount of Bonds issued does not exceed $235,000,000.

**A. 2016 Series F Bonds**

It is anticipated that the 2016 Series F Bonds, in an amount not expected to exceed $95,000,000, will be issued as fixed rate tax-exempt bonds. The Members are asked to authorize a not-to-exceed true interest cost of 10% for fixed rate bonds; however, it is expected that the 2016 Series F Bonds will have a true interest cost that does not exceed 4% and an approximate final maturity of November 1, 2051.

## B. 2016 Series G-1 and 2016 Series G-2 Bonds

It is anticipated that the 2016 Series G-1 Bonds, in an amount not expected to exceed $40,000,000, will be issued as fixed rate federally taxable bonds. The Members are asked to authorize a not-to-exceed true interest cost of 10% for fixed rate bonds; however, it is expected that the 2016 Series G-1 Bonds will have a true interest cost that does not exceed 5% and an approximate final maturity of November 1, 2031.

It is anticipated that the 2016 Series G-2 Bonds, in an amount not expected to exceed $100,000,000, will be issued as floating rate index bonds to be purchased by the Federal Home Loan Bank of New York ("FHLBNY") with an approximate final maturity of November 1, 2045. The Members are asked to authorize a not-to-exceed rate of 15% for floating rate bonds; however, it is expected that FHLBNY will agree to a maximum interest rate on the 2016 Series G-2 Bonds of 7.5%. FHLBNY will have the right to give notice on a quarterly basis to put the 2016 Series G-2 Bonds back to the Corporation effective twelve (12) months after such notice. The first date on which such notice may be delivered is anticipated to be February 1, 2017. If the Corporation cannot repay the principal remaining on the 2016 Series G-2 Bonds put then the Corporation will repay FHLBNY the principal amount over a period, anticipated to be five (5) years, from excess cash in the Open Resolution.

To manage the interest rate risk relating to the 2016 Series G-2 Bonds and other index rate bonds outstanding under its Open Resolution, the Corporation anticipates the purchase of an interest rate swap or interest rate cap as further described in the following section "Proposed Interest Rate Hedge."

The portion of the 2016 Series G-1 Bonds and 2016 Series G-2 Bonds associated with the loans financed under the Mitchell-Lama Restructuring Program will be designated Mitchell Lama Restructuring Bonds.

## C. 2016 Series H Bonds

The 2016 Series H Bonds are expected to be issued as a "recycled" private activity volume cap COB.

The Members authorized the 2016 Series H Bonds in June. It is expected that the issuance of the 2016 Series H Bonds will not exceed $22,000,000.

The 2016 Series H Bonds are expected to be issued as variable rate obligations initially in the Term Rate mode. The 2016 Series H Bonds will have an approximate final maturity of November 1, 2047. In the Term Rate mode, interest is reset at specific intervals. The first Term Rate Term will begin on the date of issuance and run through approximately March 1, 2017. The Members authorized a not-to-exceed true interest cost of 15% for the 2016 Series H Bonds; however, it is expected that the interest rate on the 2016 Series H Bonds will not exceed 2% during the series' first Term Rate Term.

The Corporation may direct that all or a portion of the 2016 Series H Bonds be converted from time to time to another interest rate mode (including to a fixed rate to maturity) at any time approximately from December 1, 2016 to and including March 1, 2017 and thereafter in accordance with any new term rate term.

The 2016 Series H Bonds or applicable portion thereof shall be subject to mandatory tender for purchase on any date on which such 2016 Series H Bonds or such portion are to be converted to a different interest rate mode and on the last day of any Term Rate Term. It is expected that when mortgage loans are ready to close, a portion of such 2016 Series H Bonds will be subject to mandatory tender and either converted to another interest rate mode through a remarketing or refunded for the financing of the applicable project. The Corporation will be obligated to pay the purchase price of those 2016 Series H Bonds that are subject to mandatory tender for purchase and are not remarketed. No liquidity facility has been obtained to fund such obligation. However, the unexpended proceeds are expected to be available to pay the purchase price of any 2016 Series H Bonds that are subject to mandatory tender for purchase and are not remarketed. To provide assurances to the Bondholders that sufficient monies will be available to fund the purchase price for the 2016 Series H Bonds, the Corporation may covenant to maintain unencumbered cash or cash equivalents (U.S. Treasury Notes, STRIPS or Agencies) under the Open Resolution available to pay the purchase price of all un-remarketed 2016 Series H Bonds.

**Proposed Interest Rate Hedge**

It is anticipated that the Corporation will enter into a hedging instrument to manage the interest rate risk associated with the 2016 Series G-2 index rate bonds, as well as the outstanding Open Resolution variable index rate bonds, which have a par amount of approximately $706,405,000 as of July 31, 2016, or thirteen percent (13%) of the bonds outstanding under the Open Resolution. In the current low rate environment, the prudent use of an interest rate hedge, in conjunction with the variable rate index rate bonds, provides a fixed cost of funds lower than the cost of traditional fixed rate bonds. This synthetic fixed rate structure will lock in favorable long-term funds in furtherance of the Corporation's commitment to the Mayor's *Housing New York* plan.

The Corporation will purchase the interest rate hedge from a qualified interest rate provider pursuant to the hedge policy approved by the Members on April 10, 2014 (the "Hedge Policy"), for a notional amount expected to be $80,000,000. However, the Members are asked to authorize a not-to-exceed notional amount of $100,000,000, to allow the flexibility to make adjustments based on the market conditions. It is anticipated that the interest rate hedge will be a Libor-indexed interest rate swap or cap. The decision to purchase an interest rate swap or cap will depend on market rates at the time of execution. The interest rate hedge is anticipated to amortize in the same manner as the 2016 Series G-2 Bonds, resulting in a weighted average life of approximately 24 years. Based on the anticipated terms and structure, an interest rate swap is anticipated to be set at an approximate rate of 2.70%. The Corporation also expects to purchase a cancellation option for the right to cancel the swap at par in approximately 10 years. The Members are asked to authorize a not-to-exceed cost of $2,000,000 for an interest rate cap; however, the cost of an interest rate cap with a 10 year term, and a strike rate of 3.5% with a ceiling rate of 7.5% is not expected to exceed $1,500,000. These rates are based on the current market rates and are subject to change.

Additionally, the Corporation is seeking authorization to negotiate, execute and deliver ISDA Master Agreements, including Schedules and Credit Support Annexes, from time to time, consistent with the Corporation's Guidelines for Uses of Certain Financial Hedges adopted April 10, 2014. This will enable the Corporation to have standing ISDAs with various counterparties. The Corporation will not enter into any transaction under such agreements without further authorization from the Members.

The Corporation recently executed its first interest rate swap for the 148th Street Jamaica project, as approved by the Members at the meeting on June 1, 2016.

**Security for the Bonds**

The Bonds will be issued on a parity basis with all outstanding previous series of bonds issued under the Open Resolution from July 1993 to date, and the security for the bonds includes all of the collateral currently held under the Open Resolution. As of July 31, 2016, that collateral consisted of the following:

| TYPE OF COLLATERAL | # OF LOANS | AMOUNT | % OF TOTAL |
|---|---|---|---|
| FHA Insured Mortgage Loans | 15 | $ 39,761,351 | 0.66% |
| Fannie Mae/Freddie Mac Enhanced Mortgage Loans | 30 | 664,206,478 | 11.08% |
| GNMA Insured Mortgages | 2 | 16,743,455 | 0.28% |
| SONYMA Insured Mortgages | 47 | 476,362,611 | 7.94% |
| REMIC Partially Insured Mortgages | 195 | 1,086,188,378 | 18.11% |
| LOC Secured Mortgages | 11 | 58,102,353 | 0.97% |
| Uninsured Permanent Mortgages | 281 | 1,165,427,953 | 19.44% |
| Uninsured 2014 Series B Mortgages | 208 | 180,484,219 | 3.01% |
| Partially Funded Construction Loans Secured by LOC | 82 | 853,976,474 | 14.24% |
| Partially Funded Construction Loans Not Secured by LOC | 45 | 260,648,030 | 4.35% |
| Sub-Total* | 916 | 4,801,901,300 | 80.08% |
| Undisbursed Funds in Bond Proceeds Account[1] | | 1,088,618,677 | 18.15% |

[1] Undisbursed Funds in Bond Proceeds Accounts are monies held by the trustee for construction financing of projects under the Open Resolution.

| | | | |
|---|---|---|---|
| Debt Service Reserve Account[2] | | 105,854,309 | 1.77% |
| Total* | 916 | $5,996,374,286 | 100% |

* May not add due to rounding.

**Risks and Risk Mitigation**

**2016 Series F Bonds**

All mortgage loans being refunded into 2016 Series F are secured by a mortgage insurance policy provided by the New York City Residential Mortgage Insurance Corporation ("REMIC"), the State of New York Mortgage Agency ("SONYMA") or through the Federal Housing Administration, or by a long term stand-by credit enhancement from Fannie Mae or Freddie Mac.

**2016 Series G Bonds**

A portion of the 2016 Series G Bonds is expected to finance three (3) first position mortgage loans and two (2) subordinate mortgage loans, each without a letter of credit during the period the developments are under rehabilitation. The primary risk to the Corporation is the borrowers' potential inability to complete the rehabilitation or pay interest on the loans during the rehabilitation period. The Corporation's staff believes this risk is mitigated through a comprehensive structure dictating the types of projects to be financed without a letter of credit, strict underwriting and the ongoing monitoring of the developments during the rehabilitation period. The developments are occupied projects with a limited scope of work. The related project budgets include complete capitalized interest reserves and construction retainage. The Corporation's staff will review scopes of work and bids and the general contractor is required to have a letter of credit or a payment and performance bond. The Corporation's Asset Management staff will assume construction monitoring and servicing responsibilities. The Corporation's staff believes that the Corporation's risks are further limited due to the borrowers' histories in operating and managing the actual project or projects similar in size and complexity.

Each of the senior mortgage loans to be financed with the proceeds from the 2016 Series G Bonds during the permanent financing period will be secured by a mortgage insurance policy provided by REMIC or SONYMA.

None of the subordinate mortgage loans to be financed with the proceeds from the 2016 Series G Bonds during the permanent financing period will be secured by a mortgage insurance policy. The primary risks associated with the subordinate loans are repayment risks from the borrowers. These risks are mitigated through conservative underwriting incorporating low loan-to-value and substantial debt service coverage and income to expense ratios. The assets are very seasoned mortgage loans and have consistent payment histories.

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[2] Includes a payment obligation of $7,500,000 of the Corporation which constitutes a general obligation.

The primary risk associated with the portion of the 2016 Series G Bonds to be used to finance the acquisition of the permanent mortgage loans previously funded by the Corporation with its own corporate funds or under a stand-alone indenture is repayment risk from the borrowers. This risk is mitigated through conservative underwriting incorporating low loan-to-value and substantial debt service coverage and income to expense ratios.

**2016 Series H Bonds**

The primary risk associated with the 2016 Series H Bonds is that the mortgage loan closings may not be able to take place. The Corporation believes that it has sufficiently mitigated this risk. The projects that are anticipated to close with funding from the proceeds of the 2016 Series H Bonds have been reviewed by Corporation staff, and are expected to be taken through the underwriting process, obtain credit enhancement and to satisfy all other matters relating to closing preparation. In addition, projects totaling at least $3,021,635,000 in projected development costs were or will be publicly noticed pursuant to Federal tax rules and may be financed using the tax exempt bond proceeds issued by the Corporation in the event that replacement project(s) would be necessary.

Furthermore, the Corporation has the option to remarket the 2016 Series H Bonds at the end of their initial term into subsequent term rate terms.

**Deposits and Fees**

With respect to developments to be financed with the 2016 Series G Bonds, it is expected that the Corporation will waive its up-front commitment fee. In addition, the Corporation expects to subsidize a portion of costs of issuance, including the fees of the underwriter, bond counsel, rating agencies and the trustee plus any additional funds that are required to compensate the Corporation for its management of the Bonds or to reimburse the Corporation for certain costs incurred during the construction of the project.

As with other Open Resolution transactions completed by the Corporation, the Corporation will charge each borrower an annual servicing fee of at least 0.20% on the outstanding principal balance of each first permanent mortgage loan or other applicable fees.

**Ratings**

The Fixed Rate Bonds, including the 2016 Series F Bonds and the 2016 Series G-1 Bonds, are expected to be rated AA+ by S&P and Aa2 by Moody's.

The Index Floating Rate Bonds, the 2016 Series G-2 Bonds, are expected to be rated AA+/NR by S&P and Aa2 by Moody's.

The Term Rate Bonds, the 2016 Series H Bonds, are expected to be rated A-1+ by S&P and Aa2/VMIG1 by Moody's.

**Underwriters**

It is anticipated that the Bonds will be underwritten by one or more of the following:

Morgan Stanley & Co. LLC *(Expected Bookrunning Senior Manager for 2016 Series F)*
Citigroup Global Markets Inc. *(Expected Bookrunning Senior Manager for 2016 Series G-1)*
J. P. Morgan Securities LLC *(Expected Bookrunning Senior Manager for 2016 Series G-2)*
Wells Fargo Securities *(Expected Bookrunning Senior Manager and Remarketing Agent for 2016 Series H)*
Jefferies LLC *(Expected Co-Senior Manager for 2016 Series F)*
Samuel A. Ramirez & Co., Inc. *(Expected Co-Senior Manager for 2016 Series G-1 and G-2)*
Stern Brothers & Co. *(Expected Co-Senior Manager for 2016 Series G-2)*

Bank of America Merrill Lynch
Academy Securities Inc.
George K. Baum
Raymond James & Associates, Inc.
Roosevelt & Cross Incorporated
Siebert Brandford Shank & Co., L.L.C.

**Underwriters' Counsel**

Orrick, Herrington & Sutcliffe LLP

**Bond Trustee and Tender Agent**

Bank of New York Mellon

**Bond Counsel**

Hawkins Delafield & Wood LLP

**Action by the Members**

The Members are requested to approve an authorizing resolution that provides for (a) the adoption of Supplemental Resolutions to the Open Resolution providing for the issuance of the Bonds, (b) the distribution of preliminary and final Official Statement(s) for the Bonds, (c) the execution of bond purchase agreement(s) with the Underwriter(s) of the Bonds or a direct purchaser of any or all of the Bonds, (d) the use of the Corporation's unrestricted reserves to fund costs of issuance for the Bonds and to fund all or a portion of the debt service reserve account requirement in connection with any or all of the series of Bonds, as may be required, (e) the use of the Corporation's general obligation as a "Cash Equivalent" (under the Open Resolution) to satisfy the Debt Service Reserve Account requirement with respect to the Bonds, (f) the refunding of certain bonds of the Corporation, (g) the execution of amendments to the existing Participation Agreement with the City of New York relating to designating certain 2016 Bonds financing mortgage loans as Mitchell-Lama Restructuring Bonds, (h) the adoption of Supplemental Resolutions to the Secured Resolution providing for the pledge of one or more mortgage loans and

(i) and the execution by the President or any authorized officer of the Corporation of any and all documents necessary to issue the Bonds and to make the mortgage loans relating to the Bonds.

The Members are requested to approve the making of subordinate loans for three (3) Mitchell-Lama Restructuring Program developments from the Corporation's unrestricted reserves in an amount not to exceed $8,355,000, and the execution by an Authorized Officer of the Corporation of mortgage-related documents and any other documents necessary to accomplish the subordinate financing.

The Members are requested to approve entering into a Purchase and Sale Agreement with the City of New York relating to the existing subordinate debt on one Mitchell Lama development in accordance with the Mitchell Lama Restructuring Program.

The Members are requested to approve the purchase of an interest rate cap from the Corporation's unrestricted reserves in an amount not to exceed $2,000,000 and the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to enter into an interest rate cap or swap agreement.

The Members are requested to approve the execution by the President or any Authorized Officer of the Corporation of any and all documents necessary to enter into ISDA Master Agreements, including Schedules and Credit Support Annexes, from time to time, consistent with the Corporation's Guidelines for Uses of Certain Financial Hedges adopted April 10, 2014.

**Attachment "A"**

**2016 Series F Mortgage Loans**
**(NIBP Refunding)**

| Permanent Mortgage Loan Supplemental Security | Subsidy Program | Development Name (Borough/ Number of Units) | Permanent Mortgage Loan Amount | Outstanding Mortgage Balance (As of 7/31/2016) |
|---|---|---|---|---|
| SONYMA | LAMP/Section 8 | Good Neighbor Apartments (Manhattan/118) | $14,000,000 | $14,000,000 |
| REMIC | LAMP | Gateway Elton (Brooklyn/197) | $9,650,000 | $9,650,000 |
| SONYMA | LAMP Preservation /Section 8 | Mother Zion (Manhattan/76) | $7,330,000 | $7,330,000 |
| REMIC | LAMP | Navy Green R-1 (Brooklyn/112) | $5,690,000 | $5,690,000 |
| Freddie Mac | LAMP/Section 8 | Concord/Seaside (Staten Island/430) | $44,060,000 | $44,060,000 |
| Freddie Mac | LAMP/Section 8 | Morris Heights Mews (Bronx/111) | $8,870,000 | $8,870,000 |
| Fannie Mae | LAMP Preservation /Section 8 | North Park Apartments (Manhattan/123) | $27,240,000 | $27,240,000 |
| FHA | LAMP | Riverway Apartments (Brooklyn/115) | $6,260,000 | $6,260,000 |
| Freddie Mac | LAMP Preservation /Section 8 | Trinity Apartments (Bronx/75) | $8,730,000 | $8,730,000 |
| GNMA | LAMP/Section 8 | Wien House (Manhattan 100) | $1,300,000 | $1,208,977 |
| GNMA | LAMP/Section 8 | Kings County Senior Residence (Brooklyn/173) | $1,820,000 | $1,661,185 |
| **TOTAL** | | | **$134,950,000** | **$134,700,162** |

## Attachment "B-1"

**Arverne aka Nordeck Apartments**
**Queens, New York**

| | |
|---|---|
| **Project Location:** | 321, 325, 349, and 353 Beach 57th Street,<br>320 and 324 Beach 59th Street |
| **HDC Program:** | Mitchell-Lama Restructuring Program,<br>Sandy Build it Back/AHRP |
| **Project Description:** | The project consists of the rehabilitation of six, high-rise buildings with 342 cooperatively owned residential units (inclusive of one superintendent unit). The project is located in the Arverne neighborhood of Queens. All of the units are governed by Mitchell-Lama income restrictions for Co-ops; incoming residents must have household incomes at or below 125% AMI. |
| **Total Cooperative Units:** | 341 (plus 1 unit reserved for a superintendent) |
| **Apartment Distribution:** | see below |

| Unit Size | No. of Units |
|---|---|
| 1 bedroom | 72 |
| 2 bedroom | 210 |
| 3 bedroom | 60 |
| Total Units* | 342 |

* Total Units are inclusive of one superintendent unit

| | |
|---|---|
| **Expected HDC Construction Financing Amount:** | $12,905,000 |
| **Expected HDC Permanent Financing Amount:** | $12,905,000 |
| **Expected HDC Second Mortgage:** | $2,935,000 |
| **Total Development Cost:** | $70,439,543 |
| **Owner:** | Arverne Limited-Profit Housing Corp. |
| **Developer:** | Arverne Limited-Profit Housing Corp., whose members include: Sharon Hamlin (President), Gwendolyn Culpepper (VP), Katherine Hall (Treasurer), Marcia Lloyd (Secretary), Arthur James (Assistant Secretary), and Jeffrey Brown |
| **Investor Limited Partner:** | N/A |
| **Credit Enhancer:** | SONYMA (expected at Permanent) |

**Attachment "B-2"**

**Scott Tower**
**Bronx, New York**

| | |
|---|---|
| **Project Location:** | 3400 Paul Avenue |
| **HDC Program:** | Mitchell-Lama Restructuring Program |
| **Project Description:** | The project consists of the rehabilitation of one 21 story residential building containing a total of 352 cooperatively owned units (inclusive of one superintendent unit). The project is located in the Bedford Park neighborhood of the Bronx. All of the units are governed by Mitchell-Lama income restrictions for Co-ops; incoming residents must have household incomes at or below 125% AMI. |
| **Total Cooperative Units:** | 351 (plus 1 unit reserved for a superintendent) |
| **Apartment Distribution:** | |

| Unit Size | No. of Units |
|---|---|
| Studio | 2 |
| 1 bedroom | 60 |
| 2 bedroom | 206 |
| 3 bedroom | 84 |
| Total Units* | 352 |

* Total Units are inclusive of one superintendent unit

| | |
|---|---|
| **Expected HDC Construction Financing Amount:** | $7,190,000 |
| **Expected HDC Permanent Financing Amount:** | $7,190,000 |
| **Expected HDC Second Mortgage:** | $660,000 |
| **Expected HDC Third Mortgage:** | $2,120,000 |
| **Expected Restructured HDC Fourth Mortgage:** | $5,098,129 |
| **Expected Total Development Cost:** | $18,528,608 |
| **Owner:** | Scott Tower Housing Company, Inc. |
| **Developer:** | Scott Tower Housing Company, Inc., whose members include: Valkyr Branker (President), Jenny Ynoa (Vice President), Raul Flores (Treasurer), Gail Ruffino (Asst. Treasurer), Lorraine Quinones (Secretary), Mark Diaz, David Glickenstein, and Francisco Martinez |
| **Investor Limited Partner:** | N/A |
| **Credit Enhancer:** | REMIC (expected at Permanent) |

**Attachment "B-3"**

**Tilden Towers I**
**Bronx, New York**

**Project Location:** 3511 Barnes Avenue

**HDC Program:** Mitchell-Lama Restructuring Program

**Project Description:** The project consists of the rehabilitation of one 16-story building containing a total of 126 cooperatively owned residential units (inclusive of one superintendent unit), a heating plant, and an 81-car parking garage. The project is located in the Williamsbridge neighborhood of the Bronx.

**Total Cooperative Units:** 125 (plus 1 unit reserved for a superintendent)

**Apartment Distribution:**

| Unit Size | No. of Units |
|---|---|
| Studio | 16 |
| Studio w/ terrace | 32 |
| 1 bedroom w/ terrace | 16 |
| 2 bedroom | 29 |
| 3 bedroom | 1 |
| 3 bedroom w/ terrace | 32 |
| Total Units* | 126 |

* Total Units are inclusive of one superintendent unit

**Expected HDC Permanent Financing Amount:** $6,745,000

**Expected HDC Second Mortgage:** $465,000

**Expected HDC Third Mortgage:** $1,625,000

**Total Development Cost:** $13,716,000

**Owner:** Tilden Towers Housing Company, Inc.

**Developer:** Tilden Towers Housing Company, Inc., whose members include: Olia Barrett (President), Shellye Belton (Treasurer), Pearline York (Secretary), Carolyn Peterson (Asst. Secretary), Wallace Miller, and Gloria Eaton

**Investor Limited Partner:** N/A

**Credit Enhancer:** REMIC (expected at Permanent)

## Attachment "C"

**2016 Series G Securitization Loans**

| Lien Position/ Supplemental Security | Subsidy Program | Number of Mortgage Loans | Number of Units | Aggregate Outstanding Mortgage Balance (As of 7/31/2016) | Weighted Average Mortgage Interest Rate | Weighted Average Maturity Remaining (in years) |
|---|---|---|---|---|---|---|
| Senior | LAMP | 10 | 998 | 45,541,667 | 6.60 | 20.00 |
| | **SUBTOTAL** | **10** | **998** | **45,541,667** | **6.60** | **20.00** |
| Subordinate | LAMP | 8 | 1,251 | 56,886,091 | 1.09* | 29.16 |
| Subordinate | LAMP/Section 8 | 3 | 309 | 19,075,000 | 1.00 | 29.25 |
| | **SUBTOTAL** | **11** | **1,560** | **75,861,091** | **1.00** | **29.18** |
| **GRAND TOTAL** | | **21** | **2,558** | **121,502,758** | | |

**FOOTNOTES**

* Includes one Permanent Loan accruing at 2.58% with a fixed payment of $2,658 and the difference is capitalized back into the principal balance

**Attachment "D"**

**2016 Series H COB Supplemental Loan List**

| Development Name | Borough | Rehab/NC | Units | Anticipated Initial Mortgage Loan Amount |
|---|---|---|---|---|
| New Settlement Apartments | Bronx | Rehab | 893 | $88,000,000 |
| The Barnett | Queens | NC | 220 | $70,000,000 |
| The Frederick | Manhattan | NC | 76 | $23,000,000 |
| Thessalonia Manor | Bronx | NC | 120 | $36,000,000 |
| Livonia Phase II- Sites 6, 7 & 8 | Brooklyn | NC | 242 | $80,080,000 |
| Livonia Phase II- Site 9 | Brooklyn | NC | 50 | $21,740,000 |
| Bronxview | Bronx | NC | 103 | $30,000,000 |
| BEC Phase II Resyndication | Brooklyn | Rehab | 560 | $64,000,000 |
| Soundview Story Avenue-East | Bronx | NC | 212 | $72,000,000 |
| Soundview Story Avenue-West | Bronx | NC | 223 | $63,200,000 |
| Newbold Avenue Apartments | Bronx | NC | 69 | $16,000,000 |
| Bronx Commons | Bronx | NC | 303 | $113,000,000 |
| PRC Fox Street | Bronx | NC | 199 | $46,000,000 |
| Lott CDC Year 15 Resyndication | New York | Rehab | 359 | $55,000,000 |
| 70-74 East 116th Street | Manhattan | Rehab | 23 | $2,100,000 |
| 2232 First Avenue | Manhattan | Rehab | 21 | $4,200,000 |
| La Cabana Apartments | Brooklyn | Rehab | 167 | $57,000,000 |
| 145 West Street Apartments | Brooklyn | NC | 140 | $50,000,000 |
| 85 Commercial Street Apartments | Brooklyn | NC | 200 | $64,500,000 |
| Bridgeview III | Queens | Rehab | 172 | $20,000,000 |
| Hamilton House | Manhattan | Rehab | 176 | $8,400,000 |
| 1199 Plaza | Manhattan | Rehab | 1,594 | $58,535,000 |
| Clinton Towers | Manhattan | Rehab | 396 | $12,655,000 |
| Confucius Plaza Coop | Manhattan | Rehab | 762 | $28,665,000 |
| Crown Gardens Coop | Brooklyn | Rehab | 239 | $8,245,000 |
| Second Atlantic Terminal | Brooklyn | Rehab | 305 | $10,810,000 |
| Lincoln Amsterdam | Manhattan | Rehab | 186 | $7,490,000 |
| Bethune Tower | Manhattan | Rehab | 135 | $1,540,000 |
| First Atlantic | Brooklyn | Rehab | 211 | $6,885,000 |
| Rosalie Manning | Manhattan | Rehab | 109 | $915,000 |
| Stevenson Commons Apartments | Bronx | Rehab | 948 | $160,000,000 |
| Lambert Redevelopments 3A | Bronx | NC | 144 | $45,500,000 |
| Draper Hall Phase II | Manhattan | NC | 131 | $32,000,000 |
| One Flushing | Queens | NC | 232 | $91,500,000 |
| Bruckner Brook Apartments | Bronx | NC | 189 | $64,945,000 |
| 280 East 161st Street | Bronx | NC | 252 | $73,800,000 |
| VYSE I | Bronx | NC | 94 | $31,700,000 |
| 407-415 Lenox Avenue | Manhattan | NC | 93 | $40,405,000 |

**Attachment "D"**

| | | | | |
|---|---|---|---|---|
| Fort George Hill | Bronx | NC | 113 | $47,175,000 |
| Ebenezer Plaza | Brooklyn | NC | 481 | $159,915,000 |
| 1880 Boston Road | Bronx | NC | 168 | $56,000,000 |
| 1575 St. John's Place | Brooklyn | NC | 145 | $40,500,000 |
| Independence House | Manhattan | NC | 121 | $19,575,000 |
| The Crossing at Jamaica Station – Mid-Rise | Queens | NC | 130 | $47,940,000 |
| The Crossing at Jamaica Station – High-Rise | Queens | NC | 450 | $241,000,000 |
| La Central- Building A | Bronx | NC | 278 | $162,000,000 |
| La Central- Building B | Bronx | NC | 219 | $66,100,000 |
| Essex Crossing- Site 4 | Manhattan | NC | 256 | $30,000,000 |
| Wilfred ABCO A | Bronx | NC | 77 | $28,565,000 |
| Wilfred ABCO B | Bronx | NC | 121 | $43,940,000 |
| Kent Village | Brooklyn | Rehab | 534 | $55,000,000 |
| Villa Gardens | Bronx | NC | 53 | $12,000,000 |
| Morris II Apartments | Bronx | NC | 154 | $51,120,000 |
| Hope East of Fifth | Manhattan | Rehab | 506 | $80,400,000 |
| Fulton Houses | Manhattan | NC | 160 | $40,000,000 |
| Ingersoll | Brooklyn | NC | 226 | $100,000,000 |
| MLK Plaza on East 147$^{th}$ Street | Bronx | NC | 167 | $41,000,000 |
| Mill Brook Terrace | Bronx | NC | 157 | $51,675,000 |
| Concourse Village West | Bronx | NC | 246 | $52,000,000 |
| Bedford Green | Bronx | NC | 118 | $40,000,000 |
| | | | TOTAL | $3,125,715,000 |