

NEW YORK STATE PUBLIC AUTHORITIES CONTROL BOARD

R E S O L U T I O N No. 24-HF-949

APPROVING A SPECIFIED PROJECT OF THE HOUSING FINANCE AGENCY
(Affordable Housing Revenue Bonds - La Olazul)

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 site acquisition and new construction of a 13-story building located at 1940-1942 Jerome Avenue in the Bronx, New York, to create a total of 114 revenue-generating residential units, of which approximately 69 units are expected to be set aside for households with income at or below 30% of Area Median Income adjusted for family size for the New York Metropolitan Fair Market Rate Area ("AMI"), and 45 units are expected to be set aside for households with income at or below 60% of AMI, and of which approximately 69 units will be supportive units, set aside for chronically homeless single adults and adult families with a head of household living with a serious mental illness or substance use disorder, with supportive services funding from the NYC Human Resources Administration NYC 15/15 Congregate

Services RFP and rental subsidy from the NYC 15/15 Supportive Housing Initiative issued by NYC Department of Housing Preservation and Development, known as La Olazul (the "Project"), to be partially financed through the issuance of bonds in an amount not to exceed \$50,420,000; and

WHEREAS, HFA intends to provide for the construction for the Project through the issuance of one or more series of fixed-rate or variable-rate, taxable or 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 50 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 a private placement; and

WHEREAS, HFA expects to finance the Project through a mortgage loan (the "Loan") to 1940 Jerome Ave Holdings, LLC, or another single-purpose entity the managing member of which, after permanent conversion, will be controlled by the Project's developers Westhab, Inc., and Vaya Development LLC, in the maximum aggregate amount of \$50,420,000, with the Loan amortizing over not more than 50 years; and

WHEREAS, the total estimated development cost of the Project is approximately \$84,654,179 ("Total Development Cost"), anticipated to be funded from monies generated by the issuance of the Bonds, Federal Low Income Housing Tax Credit proceeds, an HFA subsidy loan, one or more subsidy loans from the New York City Department of Housing Preservation and Development, deferred reserves, sale of retail space, and a deferred developer fee; and

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

WHEREAS, the letter of credit will have an initial term of sufficient length to cover the anticipated period of construction of the Project; 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 \$50,420,000; 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
La Olazul

New construction of a 13-story building containing 114 affordable
residential units

(Bronx County)

<u>Sources of Funds-Construction</u>	<u>Estimated Amount:</u>
	<u>Total Project</u>
HFA First Mortgage	\$ 8,210,000
HFA Construction Loan	\$ 33,805,000
HFA Subsidy: SHOP	\$ 12,391,320
Subsidy Interest during Construction	\$ 1,028,067
Tax Credit Equity: LIHTC	\$ 3,587,374
HPD SHLP	\$ 11,500,000
HPD Future Housing Initiative	\$ 1,150,000
HPD Accrued Interest during Construction	\$ 1,496,725
Deferred Reserves	\$ 609,500
Retail Downpayment	\$ 1,450,000
Deferred Developer Fee	\$ 9,426,194
Total Sources	\$ 84,654,179

<u>Sources of Funds-Permanent</u>	<u>Estimated Amount:</u>
	<u>Total Project</u>
HFA First Mortgage	\$ 8,210,000
HCR Subsidy: SHOP	\$ 14,945,164
Subsidy Interest during Construction	\$ 1,028,067
Tax Credit Equity: LIHTC	\$ 35,873,736
HPD SHLP	\$ 11,500,000
HPD Future Housing Initiative	\$ 1,150,000
HPD Accrued Interest during Construction	\$ 1,496,725
Retail Condo Sale	\$ 4,000,000
Sponsor Loan	\$ 4,340,000
Developer-Funded HPD Operating Reserve	\$ 150,851
Deferred Developer Fee	\$ 1,959,636
Total Sources	\$ 84,654,179

<u>Uses of Funds</u>	
Project Cost	\$ 83,359,774
Cost of Issuance	\$ 940,705
Bond Issuance Fee	\$ 353,699
Total Uses	\$ 84,654,179

Maximum Amount of Bonds to be Issued:
Not to Exceed \$50,420,000 Outstanding At Any Time

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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%.



Elizabeth R. Fine, Chair
Public Authorities Control Board



Kenneth Zebrowski, Member of the Board



Leroy Comrie, Member of the Board

24-HF-949

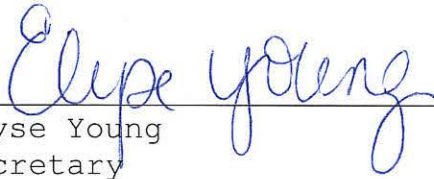
Date: February 21, 2024

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 February 21, 2024, 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 21st day of February 2024.



Elyse Young
Secretary

STATE OF NEW YORK
COUNTY OF ALBANY ss.

On this 21st day of February 2024, 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.



Ben Thapa
Notary Public, State of New York

BENJAMIN BIKRAM THAPA
NOTARY PUBLIC-STATE OF NEW YORK
No. 02TH6290854
Qualified in Rensselaer County
My Commission Expires 10-15-2025