

NEW YORK STATE PUBLIC AUTHORITIES CONTROL BOARD

R E S O L U T I O N No. 20-HF-819

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

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 the HFA for approval to fund the new construction of a 121-unit senior building located in the Bedford-Stuyvesant neighborhood of Brooklyn, to be known as Herkimer Gardens (the "Project") which was awarded through New York State Homes and Community Renewal's ("HCR's") request for proposals ("RFP") for its Vital Brooklyn Initiative, New York State's comprehensive community development initiative that addresses chronic social, economic, and health disparities in central Brooklyn, where the Project will contribute to the initiative's goal of creating 3,000 new units of affordable housing, where of the total units, fifty-seven (57) units are expected to be set-aside for senior households with income at or below 30% of the Area Median Income ("AMI") adjusted for family size for the New York, NY MSA, and where nine (9) units are expected to

be set-aside for senior households with income at or below 40% of AMI, where twenty-six (26) units are expected to be set-aside for senior households with income at or below 50% of AMI, where sixteen (16) units are expected to be set-aside for senior households with income at or below 60% of AMI, and where twelve (12) units are expected to be set-aside for senior households with income at or below 80% of AMI; and

WHEREAS, Of the total 120 revenue-producing units, sixty (60) will be subsidized by ESSHI, with the units required to be set-aside for households with at least one frail elderly individual, where forty-eight (48) of these will be set-aside for households with incomes at or below 30% of AMI, while the remaining twelve (12) units will be set-aside for households with incomes at or below 50% AMI; and

WHEREAS, the Project is to be partially financed through the issuance of bonds in an amount not to exceed \$30,085,000; and

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

WHEREAS, the HFA expects to finance the Project through a mortgage loan to Herkimer Gardens, LLC, or another single purpose entity controlled by Federation of Organizations, a non-profit entity whose Chief Executive Officer is Barbara Faron in the maximum aggregate amount of \$30,085,000, with the Loan amortizing over not more than 40 years; and

WHEREAS, the total estimated cost of the construction of the Project is approximately \$57,015,999 comprised of the requested bond financing, HFA subsidy funds, a federal housing trust fund subsidy loan, a NYSEDA New Construction program funds, Solar Investment

tax credits, OPWDD funds, an EESHI award, a sponsor loan, and a New York City 420-c real estate tax abatement; and

WHEREAS, the Loan will be secured by a letter of credit provided by JP Morgan Chase, 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 the 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 \$30,085,000; and

WHEREAS, a copy of the 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

Vital Herkimer Project

The new construction of 121 units of affordable senior housing.

(Kings County)

<u>Sources of Funds-Construction</u>	<u>Estimated Amount</u>
HFA First Mortgage	\$ 9,200,000
HFA Construction Loan	\$ 18,150,000
HCR Subsidy: Senior Housing Program	\$ 12,879,000
Federal Housing Trust Fund	\$ 8,392,566
Tax Credit Equity: LIHTC	\$ 2,902,264
Deferred Operating Reserves:	\$ 362,294
Deferred Developer Fee	\$ 5,129,841
Total Sources	\$ 57,015,999

<u>Sources of Funds-Permanent</u>	<u>Estimated Amount</u>
HFA First Mortgage	\$ 9,200,000
HCR Subsidy: Senior Housing Program	\$ 17,020,000
Federal Housing Trust Fund	\$ 8,393,066
Tax Credit Equity: LIHTC	\$ 19,348,429
Sponsor Loan	\$ 567,610
NYSERDA Multifamily New Construction Program	\$ 90,000
Tax Credit Equity: Solar Investment Credits	\$ 28,000
Deferred Developer Fee	\$ 2,368,893
Total Sources	\$ 57,015,999

<u>Uses of Funds</u>	
Project Cost	\$ 56,158,919
Cost of Issuance	\$ 626,625
Bond Issuance Fee	\$ 230,454
Total Uses	\$ 31,948,966

Maximum Amount of Bonds to be Issued:  
Not to Exceed \$30,085,000 Outstanding At Any Time

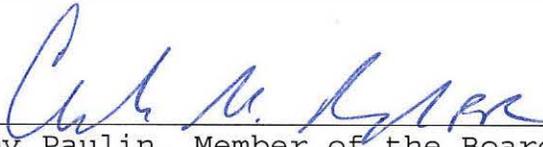
\* \* \* \* \*

The resolution shall become effective upon:

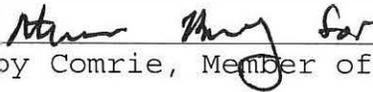
1. A determination by the HFA of the availability of Total Development Cost;
2. Receipt of a rating on the Bonds of not less than "A" from any nationally recognized rating agency from which a rating is requested; and
3. The award of Bonds at negotiated sale or private placement at a net interest cost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



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



Amy Paulin, Member of the Board



Leroy Comrie, Member of the Board

20-HF-819

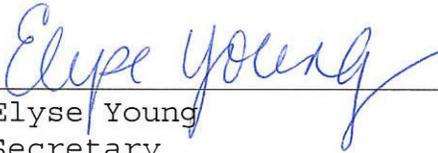
Date: September 16, 2020

CERTIFICATION

STATE OF NEW YORK  
COUNTY OF ALBANY ss.

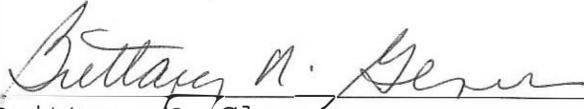
I, Elyse Young, Secretary of the New York State Public Authorities Control Board, do hereby certify that at a meeting of such Board, held on September 16, 2020, the attached resolution was duly adopted by the unanimous vote of the Members of the Board. The resolution attached is a true copy of the resolution 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 16th day of September 2020.

  
\_\_\_\_\_  
Elyse Young  
Secretary

STATE OF NEW YORK  
COUNTY OF ALBANY ss.

On this 16th day of September 2020, 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.

  
\_\_\_\_\_  
Brittany N. Glenn  
Notary Public, State of New York  
No. 01GL6253075  
Qualified in Rensselaer County  
Commission Expires: 12/19/2023