

NEW YORK STATE PUBLIC AUTHORITIES CONTROL BOARD

R E S O L U T I O N No. 24-HF-981

APPROVING A SPECIFIED PROJECT OF THE HOUSING FINANCE AGENCY
(Vital Brooklyn Alafia Phase 2)

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 two 14-story buildings collectively containing 632 revenue-generating residential units, affordable at 70 percent of the Area Median Income for the New York-Newark-Jersey City Metropolitan Statistical Area ("AMI"), of which 95 units are expected to be set aside for households with income at or below 40 percent of AMI, 168 units are expected to be set aside for households with income at or below 50 percent of AMI, and 221 units are expected to be set aside for households with income at or below 60 percent of AMI (of which 106 units are expected to be supportive units serving individuals reentering the community, supported by the Empire State Supportive Housing Initiative or the New York City 15/15

Program), to be known as Vital Brooklyn Alafia Phase 2 (the "Project"), located at 879 Erskine Street and 888 Fountain Avenue in the City of New York, Kings County (Brooklyn), to be partially financed through execution and delivery of variable-rate tax-exempt and/or federally taxable Housing Revenue Debt Obligations (the "Initial Agency Obligations") in an aggregate principal amount not to exceed \$226,295,000, with a term not to exceed 40 years, which Initial Agency Obligations will evidence an initial Funding Loan (the "Initial Funding Loan") to be made by Bank of America, N.A. ("Bank of America") to HFA, the proceeds of which Initial Funding Loan will be utilized by HFA to make a loan (the "Mortgage Loan") to provide construction financing for the Project; and

WHEREAS, HFA will make the Mortgage Loan to Alafia 2 Owner LLC (the "Borrower"), or another single purpose entity or entities controlled by Apex Real Estate Development LLC, RiseBoro Community Partnership Inc. and L+M Development Partners LLC, in the maximum principal amount of \$226,295,000 with the Mortgage Loan amortizing over not more than 40 years; and

WHEREAS, the Initial Agency Obligations will be special revenue obligations of HFA, payable solely from the revenues and amounts pledged therefor pursuant to a Funding Loan Agreement between Bank of America, the Agency, and the Fiscal Agent named

therein, and will be unrated and issued without credit enhancement;
and

WHEREAS, HFA is authorized to issue its obligations on an unrated private placement basis without credit enhancement if such obligations are purchased by certain specified types of purchasers set forth in the applicable legislation as in effect from time to time (an "Eligible Purchaser"), which presently include a bank, national bank, trust company, savings bank, savings and loan association, insurance company, governmental agency of the United States, or any wholly-owned subsidiary or combination thereof; and

WHEREAS, the Initial Agency Obligations will be subject to a "Default Avoidance Mechanism" whereby prior to asserting remedies in the event of the Borrower's payment default, or event of non-compliance under the HFA Regulatory Agreement, Bank of America will be required, after a notice and cure period, to surrender the Initial Agency Obligations to HFA for cancellation in exchange for an assignment of the Mortgage Loan; and

WHEREAS, the Initial Funding Loan will remain outstanding until completion of construction of the Project, at which time the Initial Funding Loan will be refunded with fixed-rate, tax-exempt and/or federally taxable Housing Revenue Debt Obligations (the "Permanent Agency Obligations") in an aggregate principal amount not to exceed \$68,000,000, with a term not to exceed 40 years,

which Permanent Agency Obligations will evidence a permanent Funding Loan (the "Permanent Funding Loan") to be made by the Federal Home Loan Mortgage Corporation ("Freddie Mac"), through Merchants Capital Corp. (or another seller/servicer) on its behalf (collectively, the "Permanent Funding Lender"), to HFA; and

WHEREAS, the Permanent Agency Obligations will be special revenue obligations of HFA, payable solely from the revenues and amounts pledged therefor pursuant to a Funding Loan Agreement between the Permanent Funding Lender, the Agency, and the Fiscal Agent named therein; and

WHEREAS, the Permanent Agency Obligations will be secured by a standby credit enhancement agreement provided by Freddie Mac (the "Standby Credit Enhancement Agreement"); and

WHEREAS, the total estimated cost of the construction of the Project is \$407,733,863 ("Total Development Cost") which is expected to be funded from proceeds of the Initial Funding Loan, federal Low-Income Housing Tax Credit (LIHTC) proceeds, an HFA subsidy loan, an HTFC subsidy loan, and other sources; 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 IDENTIFICATION

Project Description

Vital Brooklyn Alafia Phase 2

The financing of the construction of two buildings containing 634 residential units in the City of New York, Kings County.

Sources of Funds-Construction

Initial Agency Obligations	\$188,215,900
HFA NCP	\$123,080,187
HTFC CIF	\$2,000,000
HCR Accrued Interest during Construction	\$18,152,262
Federal Low Income Housing Tax Credits	\$43,407,861
Deferred Operating Reserve	\$2,676,979
Deferred Developer Fee	<u>\$30,200,674</u>
Total Sources	\$407,733,863

Sources of Funds-Permanent

Permanent Agency Obligations	\$56,110,000
HFA NCP	\$126,886,791
HTFC CIF	\$2,000,000
HCR Accrued Interest during Construction	\$18,152,262
Federal Low Income Housing Tax Credits	\$173,631,443
State Low Income Housing Tax Credits	\$15,898,410
Solar/Geothermal ITC Tax Credits	\$1,272,305
Deferred Developer Fee	<u>\$13,782,652</u>
Total Sources	\$407,733,863

Uses of Funds

Project Cost	\$402,237,224
Cost of Issuance	\$4,835,854
Bond Issuance Fee	<u>\$660,786</u>
Total Uses	\$407,733,863

Maximum Amount of Initial Agency Obligations to be Issued:
Not to Exceed \$226,295,000 Outstanding At Any Time

Maximum Amount of Permanent Agency Obligations to be Issued:
Not to Exceed \$68,000,000 Outstanding At Any Time

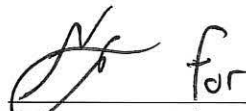
* * * * *

The resolution shall become effective upon:

1. A determination by HFA of the availability of Total Development Cost; and
2. Only with respect to the Initial Funding Loan, obtaining the Initial Funding Loan as a private placement with an Eligible Purchaser at an initial interest rate not to exceed 9% per annum; and
3. Only with respect to the Permanent Funding Loan, receipt of the Standby Credit Enhancement Agreement; and
4. Only with respect to the Permanent Funding Loan, obtaining the Permanent Funding Loan at a net interest cost not to exceed 7.50% per annum.



Blake G. Washington, Chair
Public Authorities Control Board

 for

Steven Otis, Member of the Board

 for

Leroy Comrie, Member of the Board

24-HF-981

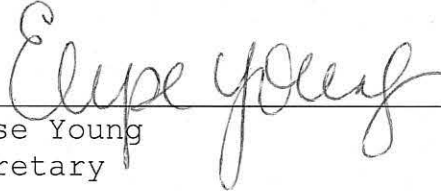
Date: November 20, 2024

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 November 20, 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.

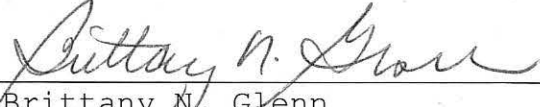
In witness thereof I have hereunto set my hand this 20th day of November 2024.



Elyse Young
Secretary

STATE OF NEW YORK
COUNTY OF ALBANY ss.

On this 20th day of November 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.



Brittany N. Glenn
Notary Public, State of New York
No. 01GL6253075
Qualified in Rensselaer County
Commission Expires: 12/19/2027