NYC HDC

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

MEMORANDUM

To: The Chairperson and Members

From: Marc Jahr
President

Date: April 3, 2013

Re: Multi-Family Housing Revenue Bonds, 2013 Series B-1 and 2013 Series B-2; Amendment to 2008 Series J, 2008 Series K, 2009 Series I and 2010 Series H Supplemental Resolutions; Taxable Borrowing in Connection with a Defeasance; Pledging Loans

---

I am pleased to recommend that the Members approve the issuance of the Corporation's Multi-Family Housing Revenue Bonds, 2013 Series B-1 and 2013 Series B-2 (the "2013 Series B-1 Bonds" and "2013 Series B-2 Bonds", respectively, and collectively, the "2013 Series B Bonds") in a combined amount not expected to exceed $150,000,000.

Interest on the 2013 Series B Bonds is not expected to be exempt from Federal income tax, but is expected to be exempt from state and local income tax. The anticipated interest rate, maturity date and other relevant terms of the 2013 Series B Bonds are described herein.

It is anticipated that the proceeds of the 2013 Series B Bonds will be used to purchase a 100% participation interest in various mortgage loans with an aggregate outstanding principal amount of approximately $425,700,000 originated and owned by The City of New York, acting by and through the Department of Housing Preservation and Development (the "City"). The Members are also being asked to approve the purchase of an interest rate cap to manage the risk from increases in variable short-term interest rates on the 2013 Series B-2 Bonds. The Members are further being asked to approve the use of the Corporation's general obligation pledge to satisfy rating agency reserve requirements for the 2013 Series B Bonds in an amount expected not to exceed $7,500,000, or such greater amount as may be required by the rating agencies. **We expect that the transaction will yield at least a total of $100,000,000 for The City of New York.**

In addition, the Members are being asked to approve an amendment to the Supplemental Resolutions relating to the Corporation's Multi-Family Housing Revenue Bonds, 2008 Series J Bonds (the "2008 Series J Bonds") and 2008 Series K Bonds (the "2008 Series K Bonds") initially issued on December 28, 2008 as variable rate bonds, the 2009 Series I-2 Bonds, (the "2009 Series I-2 Bonds") initially issued on October 1, 2009 as variable rate bonds and 2010 Series H Bonds (the "2010 Series H Bonds", together with the 2008 Series J Bonds, 2008 Series K Bonds and 2009 Series I-2 Bonds, the "2008/2009/2010 Bonds", and together with the 2013 Series B Bonds, the "Bonds"), initially issued on October 26, 2010 as variable rate bonds to change the interest rate spread and maximum rate on the 2008/2009/2010 Bonds and increase the time available to the Corporation to pay the purchase price of any tendered 2008/2009/2010 Bonds.

The Authorizing Resolutions will authorize the 175th and 176th Supplemental Resolutions, amendments to the 104th and 105th Supplemental Resolutions, originally adopted by the Members on December 10, 2008, the 120th Supplemental Resolution, originally adopted by the Members on September 15, 2009 and the 138th Supplemental Resolution, originally adopted by the Members on October 1, 2010 under the Open Resolution.

Finally, the Members are being asked to approve the borrowing of taxable funds in an amount not to exceed $13,000,000 and use of the Corporation's unrestricted reserves in an amount not to exceed $2,000,000 to defease certain Multi-Family Housing Revenue Bonds (Federal New Issue Bond Program), 2009 Series 2 (the "NIBP 2009 Series 2 Bonds"); the pledging of any mortgage loans of the Corporation to the Open Resolution for the purpose of replacing mortgage loans made with taxable bond proceeds that have prepaid; and the making of a mortgage loan for Creston Avenue Development.

Following is a background of the Open Resolution, the proposed terms of all authorizations, the proposed uses of the 2013 Series B Bonds and a description of their structure and security.

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 January 31, 2013 there were 953 mortgage loans (872 permanent loans and 81 construction loans) held under the Open Resolution with a total outstanding principal balance of approximately $3,945,421,851, with $2,745,463,565 of permanent loans and $1,199,958,286 of construction loans. These mortgage loans, together with funds in the Bond Proceeds Account and Debt Service Reserve Account total $4,715,930,925as of January 31, 2013. 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 January 31, 2013, there were $3,768,250,000 of Open Resolution Bonds outstanding, not including bonds issued under the New Issue Bond Program. Subsequent to January 31, 2013, the Corporation issued $104,885,000 principal amount of Open Resolution Bonds.

Amendment to 2008 Series J, 2008 Series K, 2009 Series I and 2010 Series H Supplemental Resolutions

The 2008/2009/2010 Bonds were directly placed with the Federal Home Loan Bank of New York ("FHLBNY") upon issuance. The FHLBNY is expected to agree to certain changes to the 2008 Series J Bonds, 2008 Series K Bonds and 2010 Series H Bonds, and has already agreed to certain changes to the 2009 Series I-2 Bonds, that would mitigate the effect on the Open Resolution of certain rating agency stress tests related to variable rate bonds.

The Members are being asked to approve an amendment to the Supplemental Resolutions relating to the 2008/2009/2010 Bonds to change the interest rate spread and maximum rate and increase the time available to the Corporation to pay the purchase price of any tendered 2008/2009/2010 Bonds.

NIBP 2009 Series 2 Bonds Defeasance Loan

The Members are being asked to authorize the Corporation to receive taxable loan proceeds from Citibank N.A. ("Citibank") in an amount not to exceed $13,000,000 (the "Citibank Loan") and use other unrestricted reserves of the Corporation in an amount not to exceed $2,000,000 to fund a defeasance escrow required to ensure payment of debt service, including bond interest, sinking funds and any outstanding principal bond amount on certain defeased 2009 Series 2 Bonds through the defeasance maturity, which is expected to be June 30, 2014.

On July 16, 2012, the mortgagor of the Carnegie East House development prepaid its mortgage loan, which resulted in a prepayment of the GNMA security pledged to the NIBP Series 2 Resolution. The U.S. Department of Treasury is requiring the Corporation to redeem the associated NIBP Series 2 Bonds in an anticipated outstanding principal amount of $12,430,000 pursuant to the related supplemental resolution. However, the redemption of the associated NIBP 2009 Series 2 Bonds would jeopardize the tax credits for certain projects that were financed by such bonds but have not yet been placed in service in accordance with the tax credit regulations.[1] To comply with NIBP rules and Treasury's request, the Corporation intends to use the proceeds of the Citibank Loan and corporate reserves to defease the NIBP 2009 Series 2 Bonds until the associated tax credit projects have been placed in service. The defeasance will render such bonds no longer outstanding under the Resolution, which satisfies Treasury's requirement to have bonds redeemed or defeased promptly after loan prepayment.

The taxable loan structure will enable the Corporation to issue refunding bonds at the defeasance maturity and preserve volume cap in accordance with Sections 142 of the Internal Revenue Code of 1986. Once the applicable projects are placed in service and prior to the defeasance maturity date, the Corporation will seek the Members' approval to issue refunding bonds to satisfy the Citibank Loan. Such refunding bonds will be secured by the mortgage loans originally financed with NIBP 2 proceeds and are currently pledged in the Open Resolution.

It is expected that Citibank will arrange for a taxable loan to the Corporation in an amount not expected to exceed $13,000,000 which will bear a variable interest rate expected to be 3-month LIBOR, to be reset quarterly, with a final maturity expected to be June 30, 2014. The Citibank Loan will be full recourse to the Corporation with the repayment obligation to be a general obligation of the Corporation. There is no risk to the Corporation because the Corporation will maintain sufficient corporate reserves to cover the Citibank Loan if, for any reason, a refunding was not possible.

Pledging Mortgage Loans to Open Resolution

The Members are being requested to authorize the Corporation to pledge any mortgage loans of the Corporation not already pledged under a resolution, to the Open Resolution to replace mortgage loans funded with taxable bond proceeds that have prepaid. The authorization will

[1] Under the NIBP 2 GNMA Swap, HDC transferred GNMA securities, GSE guaranteed loans, and/or FHA-insured loans to secure the NIBP Series 2 bonds and in exchange used the NIBP Series 2 proceeds to fund new mortgage loans under the Open Resolution.

enable the Corporation to maintain the collateralization of the Open Resolution required by the rating agencies without retiring taxable bonds with favorable rates.

Making of Mortgage Loan for Creston Avenue Development

The Members are being requested to authorize the Corporation to use a portion of the remarketing proceeds of the Corporation's Multi-Family Housing Revenue Bonds, 2012 Series M Bonds, authorized by the Members on December 11, 2012, to provide financing under the LAMP Preservation Program for the acquisition and rehabilitation of the Creston Avenue Development with a total of 122 units located in the Bronx.

For more information on the project, please see "Attachment A-1".

Proposed Uses for the 2013 Series B Bond Proceeds

The Corporation expects to use the proceeds of the 2013 Series B Bonds to purchase from the City a 100% participation interest in approximately 269 multifamily mortgage loans ("2013 Series B Participant Interest"). In addition, the 2013 Series B Bond proceeds will be used to purchase an interest rate cap and pay other costs of issuance. As noted previously, this transaction will generate no less than $100,000,000 in revenue for the City.

2013 Series B Participant Interest

The 2013 Series B Participant Interest is expected to include approximately 269 underlying mortgage loans with an approximate outstanding principal balance of $425,673,788 originated by the City under the Article 8A Program, Participation Loan Program ("PLP"), Third Party Transfer Program ("TPT"), Low Income/Mixed Income Rental Program ("LIRP/MIRP"), and the HUD Multi-family Program. The majority of the underlying mortgage loans are permanent mortgage loans[2] with a subordinate lien position. Approximately six percent (6%) of the underlying mortgage loans have a senior lien position. All of the underlying mortgage loans are current in payment or less than three (3) months in arrears. The underlying mortgage loans are currently either serviced by the Corporation, the City or the Community Preservation Corporation ("CPC"). The Corporation anticipates that it will assume servicing of all the underlying mortgage loans currently serviced by the City, except for the ten (10) Article 8A Loans that are still being advanced. Once these loans are fully advanced, the Corporation expects to assume servicing of the loans.

For more information on the underlying mortgage loan pool of the 2013 Series B Participant Interest, please see Attachment "A-2".

Purchase of Interest Rate Cap

The Corporation expects to issue the 2013 Series B-2 Bonds as variable rate index bonds that will be purchased by the FHLBNY. The Corporation expects the interest rate on the 2013 Series B-2 Bonds to equal 3-month LIBOR (as of March 27, 2013, 3-month LIBOR equaled 0.28%) plus a spread of .65% and to be capped at a ceiling rate of 7.5% (See "Structure of 2013 Series B

[2] Ten (10) Article 8A Loans have automatically converted to permanent loans and have started amortizing but loan proceeds are still being advanced.

Bonds"). To protect against interest rate volatility, the Corporation expects to purchase a LIBOR-indexed interest rate cap from the New York City Transitional Finance Authority (the "TFA"), or a substitute interest rate cap provider with a minimum rating of "A/A2" and otherwise acceptable to the Corporation. It is expected that the interest rate cap will be amortized along with the bond schedule, and include a strike rate anticipated to be 5.5%, which is inclusive of the interest rate spread of the 2013 Series B Bonds, anticipated to be .65%. In the event the interest rate on the outstanding amount of 2013 Series B-2 Bonds exceeds the anticipated strike rate of 5.5%, the interest rate cap provider would be obligated to pay HDC the difference up until the ceiling rate on the 2013 Series B-2 Bonds, anticipated to be 7.5%. The cost of purchasing a cap for the proposed bond structure with the assumed strike and ceiling rates based on the current market condition is anticipated to be 6.0% of the principal amount of the 2013 Series B-2 Bonds. Proceeds of the 2013 Series B-2 Bonds will be used to purchase the interest rate cap.

<u>As the consideration of purchasing an interest rate cap is expected to go to a City agency, instead of a private third-party interest rate cap provider, the financing will further benefit the City.</u>

<u>Structure of the 2013 Series B Bonds</u>

The 2013 Series B Bonds are expected to be issued in the modes described below, however, the Authorizing Resolution relating to the 2013 Series B 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 supplemental resolution as long as the total amount of the 2013 Series B Bonds issued does not exceed $150,000,000.

The 2013 Series B-1 Bonds are expected to be issued on a fixed-rate basis. The Members are asked to authorize a not-to-exceed rate of 10.0% for fixed rate bonds; however, it is expected that the interest rate on the 2013 Series B-1 Bonds will be 4.50%. The 2013 Series B-1 Bonds are expected to have an approximate final maturity of May 1, 2028.

The 2013 Series B-2 Bonds are expected to be issued as variable rate index bonds purchased by the FHLBNY with an approximate final maturity of May 1, 2043. The Members are asked to authorize a not-to-exceed rate of 15% for variable rate bonds; however, it is expected that the interest rate on the 2013 Series B-2 Bonds will not exceed 7.5%. FHLBNY will have the right to give notice on a quarterly basis to put the 2013 Series B-2 Bonds back to the Corporation effective twelve (12) months after such notice. The right to put is only available after an initial eighteen (18) month period. If the Corporation cannot repay the principal remaining on the 2013 Series B-2 Bonds put then the Corporation will repay FHLBNY the principal amount over a period, anticipated to be between seven to ten years, from excess cash in the Open Resolution.

2013 Series B Structuring Assumptions

The principal amount and maturities of the 2013 Series B Bonds have been structured based on the projected cash flows of the underlying mortgage loans of the 2013 Series B Participant Interest using conservative payment assumptions based on the type of subsidy, the servicer of the mortgage loan, and in the case of eleven (11) underlying mortgage loans, the amount of municipal liens. The Corporation also assumed there are no prepayments and no payment on balloon payments.

To the extent the cash flow of the 2013 Series B Participant Interest is greater than the debt service on the 2013 Series B Bonds, the excess revenue not required to pay the Corporation's credit enhancement fee will either be applied to redeem an equal amount of the 2013 Series B Bonds or, pursuant to a cash flow statement, be used for other permitted uses under the Open Resolution, which include acquiring mortgage loans of the Corporation and redeeming bonds other than the 2013 Series B Bonds. Such acquired mortgage loans will provide security for the outstanding 2013 Series B Bonds. Any excess revenue that is used to acquire a new mortgage loan or redeem bonds other than the 2013 Series B Bonds instead of redeeming 2013 Series B Bonds will be accounted for pursuant to the terms of the Participation Agreement on a semi-annual basis after debt service and applicable fees are paid. When the 2013 Series B Bonds are redeemed, or an accounting of such excess revenue indicates that that all of the 2013 Series B Bonds would have been redeemed had all excess revenue been used to retire such bonds, the underlying mortgage loans from the 2013 Series B Participant Interest will be returned to the City. If the 2013 Series B Participant Interest is returned to the City before all of the 2013 Series B Bonds are retired, the additional mortgage loans acquired will provide security for any outstanding 2013 Series B Bonds.

The Corporation believes it is using a reasonable and prudent structuring approach. The valuation applied to the scheduled payments of the underlying mortgage loans has been established based on the overall historical programmatic performance of each type of loan, adjusted individually by special conditions such as outstanding municipal liens. The prepayment risk is generally low due to predominance of subordinate loans and affordability regulations. Lastly, assuming zero balloon payments corresponds to the past experience with the financing of low-income developments where the City and the Corporation tend to refinance the balloon to extend the affordability; said approach also allows the City to monetize balloon payments in a subsequent financing if the portfolio performs better than projected.

Use of the Corporation's General Obligation to Meet the Debt Service Reserve Account Requirement for the 2013 Series B Bonds

The rating agencies are expected to require a Debt Service Reserve Account for the 2013 Series B Bonds in an amount equal to 3% to 5% of the outstanding 2013 Series B Bonds. In order to avoid using cash or issuing additional bonds to fund the reserve requirement for the 2013 Series B Bonds, the Corporation expects to use its general obligation to satisfy the Debt Service Reserve Account for the 2013 Series B Bonds. This is the same approach employed in connection with the issuance of the Open Resolution bonds for the previous loan securitization for the City in 2002 and 2003 as well as the subsequent refunding in 2006. Based on a not-to-exceed amount of $150,000,000 for the 2013 Series B Bonds, the amount of the Corporation's general obligation pledged is expected not to exceed $7,500,000.

Security for 2013 Series B Bonds

The 2013 Series B 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. As a result, the 2013 Series B Bonds will be secured on a parity basis with all the collateral currently held under the Open Resolution. As of January 31, 2013, that collateral consisted of the following:

TYPE OF COLLATERAL	# OF LOANS	AMOUNT	% OF TOTAL
FHA Insured Mortgage Loans	20	$ 52,013,372	1.10%
Fannie Mae/Freddie Mac Insured Mortgage Loans	20	197,295,770	4.18%
GNMA Insured Mortgages	1	119,338,269	2.53%
SONYMA Insured Mortgages	24	225,324,651	4.78%
REMIC Partially Insured Mortgages	161	836,889,739	17.75%
LOC Insured Mortgages	11	62,389,843	1.32%
Uninsured Permanent Mortgages	281	941,762,712	19.97%
Uninsured 2006 Series A Mortgages	354	310,449,207	6.58%
Partially Funded Construction Loans Secured by LOC	67	1,006,431,736	21.34%
Partially Funded Construction Loans Not Secured by LOC	14	193,526,551	4.10%
Sub-Total	953	3,945,421,851	83.66%
Undisbursed Funds in Bond Proceeds Account[1]		685,531,360	14.54%
Debt Service Reserve Account[2]		84,977,715	1.80%
Total*	953	4,715,930,925	100%

* May not add due to rounding

Risks and Risk Mitigation

2013 Series B Bonds

The primary risk to the Corporation related to the 2013 Series B Bonds is the failure of mortgagors of the underlying mortgage loans to continue to make payments. This risk is greatly reduced by the comprehensive and diligent pool selection process, of which the most relevant criterion in ensuring scheduled payments is to include only permanent loans (over 94% of the loan pool) or amortizing loans with good payment history and current in payment or three (3) months or less in arrears as of January 31, 2013. The conservative cash flow assumptions used to structure the 2013 Series B Bonds (See "Structure of the 2013 Series B Bonds") further mitigate the risk of a cash flow shortfall.

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

[2] Includes a payment obligation of $2,664,750 of the Corporation which constitutes a general obligation.

Furthermore, the Participation Agreement will permit the Corporation to direct certain remedies regarding the underlying mortgage loans of the 2013 Series B Participant Interest. In addition, if there is a breach of a representation or warranty given by the City or CPC with respect to an underlying mortgage loan that has defaulted, or, if such breach prevents the Corporation from realizing on the security provided by such mortgage loan, the City has agreed to correct such breach, repurchase such mortgage loan or substitute mortgages of equal value.

Interest Rate Cap

An additional risk to the Corporation related to the 2013 Series B-2 Bonds is the increase in variable short-term interest rates, which is greatly reduced by an interest rate cap expected to be purchased from the TFA. TFA obligations are secured by the pledge of New York City personal income tax and sales tax revenue. The Corporation's staff believes that a default by a City agency with such a strong pledge is an unlikely scenario. With many of the private interest rate hedge providers being downgraded since the financial crisis in 2008, we believe that the financial strength of the TFA offers additional value to the Corporation in managing our variable rate debt exposure. Any substitute interest rate cap provider would be rated at least "A/A2".

Pledge of Corporation's General Obligation

With respect to funding the Debt Service Reserve Account Requirement for the 2013 Series B Bonds, the Corporation's staff believes that it is extremely unlikely that the Corporation's general obligation will ever be called upon given the conservative and prudent structuring approach, as well as the strength of the Open Resolution. The Corporation's obligation will also decrease with the amortization of the 2013 Series B Bonds.

Deposits and Fees

The Corporation is expected to earn a credit enhancement fee anticipated to be 1.25% on the outstanding 2013 Series B Bonds per annum; however, to further maximize the amount of proceeds the transaction can yield for the City, it is expected that half of the credit enhancement fee will be subordinated to debt service and paid to the Corporation semi-annually after the debt service on the 2013 Series B Bonds has been met. Any unpaid credit enhancement fee owed to the Corporation will accrue and will be repaid from any excess revenue until the outstanding balance is paid in full.

Ratings

The 2013 Series B-1 Bonds are expected to be rated AA by Standard and Poor's Rating Service ("S&P") and Aa2 by Moody's Investors Service ("Moody's").

The 2013 Series B-2 Bonds are expected to be rated AA/NR by S&P and Aa2 by Moody's.

Senior Managing Underwriter regarding 2013 Series B-1 Bonds

J. P. Morgan Securities LLC *(book-running manager)*
Siebert Brandford Shank & Co. L.L.C.

Co-Managing Underwriters regarding 2013 Series B-1 Bonds

Roosevelt and Cross, Inc.
Castle Oak Securities, L.P.
Raymond James & Associates, Inc.

Placement Agent or Underwriter for 2013 Series B-2

J. P. Morgan Securities LLC
Castle Oak Securities, L.P.

Hedging Advisor for 2013 Series B-2

Mohanty Gargiulo LLC

Pricing Advisor for 2013 Series B-2

Caine Mitter

Underwriter's Counsel

Orrick, Herrington & Sutcliffe LLP

Bond Trustee

The 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 (i) the adoption of Supplemental Resolutions to the Open Resolution providing for the issuance of the 2013 Series B Bonds; (ii) the distribution of preliminary and final Official Statement(s) for the 2013 Series B Bonds; (iii) the execution of bond purchase agreement(s) or direct placement agreement(s) with the Underwriter(s) of the 2013 Series B Bonds or a direct purchaser of any or all of the 2013 Series B Bonds; (iv) the use of the Corporation's unrestricted reserves to fund costs of issuance, capitalized interest and mortgage reserves for Bonds, as may be required; (v) the use of a "Cash Equivalent" (under the Open Resolution), in the form of the Debt Service Reserve Account Funding Agreement, to satisfy the Debt Service Reserve Account requirement with respect to the 2013 Series B Bonds; (vi) the execution by the President or any authorized officer of the Corporation of any and all documents necessary to issue the 2013 Series B Bonds including any Participation Agreement with the City of New York; (vi) the execution by the President or any authorized officer of the Corporation of any and all documents necessary to purchase an interest rate cap; and (vii) the pledge to the Open Resolution of any mortgage loans of the Corporation to replace mortgage loans funded with taxable bond proceeds that have prepaid.

The Members are requested to authorize i) the use of the Corporation's general obligation as a "Cash Equivalent" (under the Open Resolution) in an amount expected not to exceed $7,500,000, or such greater amount as may be required by the rating agencies, in the form of the Debt Service Reserve Account Funding Agreement, and ii) the execution by the President or any authorized officer of the Corporation of any and all documents necessary to enter into the Debt Service Reserve Account Funding Agreement.

The Members are requested to approve an authorizing resolution that provides for (i) the amendment of the Supplemental Resolutions to the Open Resolution providing for the issuance of the 2008 Series J Bonds, 2008 Series K Bonds, 2009 Series I-2 Bonds and 2010 Series H Bonds; and (ii) the execution by the President or any authorized officer of the Corporation of any and all documents necessary to amend the Supplemental Resolutions.

The Members are requested to authorize i) borrowing by the Corporation of taxable funds from Citibank in an amount not to exceed $13,000,000 and to use corporate reserves in an amount not to exceed $2,000,000 to enable the Corporation to defease a portion of the 2009 Series 2 Bonds and ii) the execution by the President or any authorized officer of the Corporation of any and all documents necessary to borrow the taxable funds.

The Members are requested to authorize the Corporation to use a portion of the remarketing proceeds of the Corporation's Multi-Family Housing Revenue Bonds, 2012 Series M Bonds, in an amount not expected to exceed $14,200,000 to provide financing under the LAMP Preservation Program for the acquisition and rehabilitation of the Creston Avenue Development with a total of 122 units located in the Bronx.

Attachment "A-1"

Creston Avenue
Bronx, New York

Project Location:	2223, 2233, 2239 & 2241 Creston Avenue
HDC Program:	LAMP Preservation
Project Description:	The project consists of the acquisition and rehabilitation of four five-story residential buildings containing 122 units located in the University Heights section of the Bronx. The project does not contain any commercial space or on-site parking.
Total Rental Units:	122 (plus two units reserved for the superintendents)
Apartment Distribution:	

Unit Size	No. of Units
Studio	11
1-bedroom	56
2 bedroom	40
3-bedroom	14
4-bedroom	1
Total Units*	122

*Total Units are inclusive of one 2 bedroom and one 4 bedroom superintendent units.

Expected Construction Financing Amount:	$14,200,000
Expected HDC Permanent Financing Amount:	$5,780,000
Expected HDC Second Mortgage:	N/A
Total Development Cost:	$28,684,876
Owner:	WFHA Creston Avenue L.P. whose principals are John Crotty, John Warren and Kevin Gallagher.
Developer:	Workforce Housing Advisors whose principals are John Crotty, John Warren and Kevin Gallagher.
Investor Limited Partner:	National Equity Fund, Inc.
Credit Enhancer:	Standby Letter of Credit provided by JP Morgan Chase

Attachment "A-2"

2013 Series B Participant Interest

Subsidy Program	Lien Position	Number of Mortgage Loans	Number of Units	Aggregate Outstanding Mortgage Balance (as of 1/31/2013)	Weighted Average Mortgage Interest Rate	Weighted Average Maturity (in years)
Article 8A	Senior	15	771	$ 14,084,716	2.56%	20.34
	Subordinate	54	6,797	$ 66,353,499	2.04%	20.07
LIRP/MIRP	Subordinate	23	1,541	$ 53,225,833	0.95%	26.94
HUD Multifamily	Subordinate	5	482	$ 18,880,692	2.66%	27.86
PLP	Senior	1	53	$ 1,501,037	0.25%	25.00
	Subordinate	104	5,643	$ 153,332,228	0.95%	26.20
TPT	Senior	1	16	$ 850,781	1.00%	24.00
	Subordinate	66	1,817	$ 117,445,003	0.67%	25.04
GRAND TOTAL†		**269**	**7,120**	**$ 425,673,788**	**1.17%**	**24.89**

† May not add due to rounding.