

**MINUTES OF THE
240TH MEMBERS MEETING OF THE
NEW YORK STATE AFFORDABLE HOUSING CORPORATION
HELD ON JUNE 13, 2013 AT 8:31 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

William J. Mulrow	Chairman
Steven J. Weiss	Vice Chairman
Thomas H. Mattox	Member
Darryl C. Towns	Member
Elaine McCann	Division of the Budget, representing Robert Megna, Member (via video conference)

Chairman William J. Mulrow opened and chaired the meetings.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary. He noted that Elaine McCann from the New York State Division of the Budget, representing Rogert Megna, Budget Director and Aida Brewer from the New York State Department of Taxation and Finance were participating in the meetings by video conference from the New York State Division of Budget conference center at the Capitol Building, Room 131, in Albany; and that Marge Rogatz, SONYMA Director was participating in the meetings by video conference from the office of Expedia at 325 Duffy Avenue in Hicksville, New York. A public notice was given of the time and location of both venues.

Ms. Marge Rogatz and Mr. Anthony Bergamo, Directors of SONYMA attended this meeting as guests.

Mr. Valella asked for motions and seconds to call to order the Members and Directors meetings of the New York State Housing Finance Agency ("HFA"), the State of New York Mortgage Agency ("SONYMA"), and the New York State Affordable Housing Corporation ("AHC"). Vice Chairman Steven J. Weiss moved to call the HFA meeting to order; Commissioner Thomas H. Mattox seconded the motion. Vice Chairman Weiss moved to call the AHC meeting to order; Commissioner Thomas H. Mattox seconded the motion. Mr. Anthony Bergamo moved to call the SONYMA meeting to order; Ms. Marge Rogatz seconded the motion.

Mr. Valella stated that as items were presented to each Board throughout the meetings, these motions and seconds would be used, unless specific items called for a different vote, or unless any Board member wished to record his or her vote differently. The meetings of the affiliated Agencies were opened in joint session for the President's report, the recital of the Committee reports, the adoption of the minutes of previous meetings and consideration of various matters of shared importance. These minutes reflect only those items being considered by the Members of the New York State Affordable Housing Corporation. A record of items considered by the other Agencies is contained in the minutes of each Agency respectively.

The first item on the agenda was the President's Report. Chairman Mulrow requested that Darryl C. Towns, Commissioner/CEO of the Agencies, present his report. Commissioner Towns reported that the Agencies had been very busy since the last Board meeting in May. He stated that the Agencies completed the acquisition of the state's ESDC portfolio with the closing of over \$45 million in bonds the previous week. He further stated that, as they have discussed over the past seven months, these projects represent over 10,000 units of affordable housing located throughout the state with concentration in New York City, mid Hudson, west New York and the Finger Lakes. He stated that he is particularly proud that the Board and staff have been able to take this important first step to implement Governor Cuomo's plan to rehabilitate projects and keep them affordable into future. Commissioner Towns stated that he would like to thank Marian Zucker and the Agencies' staff for the yeoman's effort they put in to complete the task.

Commissioner Towns stated that, although the agenda included various administrative items, the Board would also hear the actions of the Governance and Audit Committees which met on Tuesday, June 9, and that HFA will be asked to consider for approval two projects, the first for the acquisition of a 198-unit senior project on Staten Island seeking approximately \$30 million in bonds, and the second for construction of an 86-unit senior project in the Riverdale section of the Bronx seeking approximately \$14 million in bond financing.

Commissioner Towns reported that SONYMA had loan reservations of \$39 million, averaging \$1.8 million per day, with June averaging \$2.6 million per day, with a ten-year June average of \$2.4 million per day, showing a slight increase. He further reported that SONYMA delinquencies as of April 30 were at 3.6%, comparing very favorably to the New York State rate of 10.78% and the national rate of 7.43%. He reported that earlier in the day the Mortgage Insurance Committee sought to approve 12 projects seeking mortgage insurance on well over \$90 million in financing and that these projects are scattered throughout New York City with one project in Dutchess County.

Commissioner Towns reported that AHC would be asking the Board to approve approximately \$3 million in funding for 101 units of housing. He stated that the Agency continues to work on issues related to Superstorm Sandy and that Matthew Nelson and his staff continue to implement the Agency's action plan for the initial \$1.7 billion in federal

CDBG ER funding and are making tremendous progress. He noted that Mr. Nelson will be joined on Monday by Seth Diamond, who will be taking a state-wide position as director of storm recovery. He stated that Mr. Diamond had most recently been the Commissioner of the New York City Department of Homeless Services and would oversee the State's storm recovery initiatives for Sandy, Irene and Lee, including the housing business, transportation, coastal and inland infrastructure, and local planning programs. He stated that Mr. Diamond as well as several other regional storm personnel would be on board shortly.

Commissioner Towns then reported that in Albany, the Agencies' extender bills passed both houses of the legislature and would soon be signed by Governor Cuomo and that the SONYMA bill seeking a technical change allowing SONYMA to better take advantage of several federal single family programs is on track for passage as well. He stated that the Agencies were continuing to work with the governor's Washington, DC staff and other governmental partners on the tax bill related to Superstorm Sandy that will allow for additional allocation of tax-exempt bonds as well as 9% tax credits, and that he was very hopeful that this would come about sometime before the end of the year.

Commissioner Towns further reported that staff participated last week in the SHNNY conference in New York City. He reported that the conference was attended by over 1,200 of the Agencies' partners in housing and that HCR staff was very prominent in serving on a number of panels and workshops. Commissioner Towns further stated that on May 18 in Buffalo the Agencies had a "Welcome Home New York" event for SONYMA took place which was very successful. He reported that 300 potential first-time home buyers had a chance to meet face to face with lenders, realtors, counselors and other industry professionals and that Vice Chairman Weiss was able to stop by and see the festivities and saw the excitement generated by the event. Commissioner Towns thanked Vice Chairman Weiss for stopping by and supporting the Agencies in that effort.

Commissioner Towns reported that staff continues to support the governor's regional economic development councils in their important goal to bring economic revitalization to every region of the state. He stated that the HFA pipeline for the second half of the year is expected to be quite strong and very busy but that with that said, the Agencies are also excited and that the Agencies feel that the cavalry is on its way, and that the Agencies look forward to making some announcements about some additional staff and officers to the Board, which will help the Agencies to prepare for what they think is going to be a busy closing part to the year.

The next item was the report of the Audit Committees. Mr. Valella reported that the Audit Committees held meetings on June 11, 2013 and approved the minutes of the April 9, 2013 meetings. The HFA and SONYMA Audit Committees adopted a resolution recommending approval of the Independent Auditor's Report relating to the audit of the Schedule of Expenditures of Federal Awards. The HFA Audit Committee adopted a resolution approving HCR Subordinate Mortgage Loan Program Audit. The AHC Audit

Committee adopted a resolution recommending the approval of AHC's Audited Financial Statements for the fiscal year ending March 31, 2013.

The next item was the report of the Governance Committees. Mr. Valella reported that the Governance Committees held meetings on June 11, 2013 and approved the minutes of the April 9, 2013 meetings and approved and reviewed various contracts monitored by the Accounting Department relating to Payroll Processing Services, Independent Auditor Services, GASB 45 Consultant Services and Administration Services for the Agencies' Qualified Transportation Expense Benefit Plan. The HFA and SONYMA Governance Committees approved and reviewed of various contracts monitored by the Facilities and Administration Department; approved a contract with CQ Roll, Inc. and reviewed annual contracts with the New York State Legislative Bill Drafting Commission, Reed Elsevier, Inc., West Publishing (West Group), and Seisinit Inc. (Accurint); and reviewed purchase orders with National Urban Fellows and Temporary Staffing by Suzanne Ltd. The SONYMA Governance Committee approved a contract with Radian Guaranty for mortgage servicing and reinsurance services and reviewed annual marketing related contracts for SONYMA mortgage products.

The next item on the agenda was the adoption of the minutes of the 239th AHC Members meeting held on May 9, 2013. Absent comments or corrections from the Members, Mr. Valella reported that the minutes were deemed approved.

The next item on the agenda was a resolution approving AHC's Annual Investment Report and an annual review of Quarterly Investment Reports for the period ending April 30, 2013. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion.

Vice Chairman Weiss moved to adopt the resolution; Commissioner Mattox seconded the motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, THE STATE OF NEW YORK MORTGAGE AGENCY AND THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION APPROVING REPORTS OF INVESTMENTS.

The next item on the agenda was an information item concerning a review of the Agencies' Quarterly Procurement Report for the period ending April 30, 2013. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. Chairman Mulrow stated that

one thing of importance is that MWBE participation is at a relatively high number, close to 40% across HFA and SONYMA.

The next item on the agenda was a resolution authorizing the award of grant funds for a certain project. Mr. Matthew L. Nelson, HFA/AHC Senior Vice President and President, Office of Community Renewal, stated that before the Board they have 3 awards against the 2012 appropriation of funds for AHC. He stated that combined, these three awards total a little over \$3 million and will go towards new construction and rehabilitation of 101 units, two projects in New York City, Brooklyn, and one upstate in the town of Moreau in Saratoga County. He stated that AHC continues to focus on a statewide effort to process funds from its 2012 round and that AHC has a number of projects in the pipeline still for New York City to continue processing against the 2012 appropriations which they hope to do during the duration of this calendar year. He stated that the projects brought to the Board today combine new construction and rehabilitation and that he wants to point out a couple of highlights from the standpoint of agency synergy and collaboration. He stated that Nehemiah Spring Creek III project is actually the second of three phases of this project that AHC has contributed funding to for new construction and that there will be 81 units in Brooklyn. He stated that the MIC approved mortgage insurance at the last Board meeting and that his understanding is that SONYMA single family is providing the mortgages for these homes as well, so there is a good combination of intra-agency on this project. He stated that in addition there is substantial capital investment from New York City HPD in this project to the tune of nearly \$4 million. He stated that the Dean Street Residences Condos project in Brooklyn is a project undertaken by Habitat New York City which AHC is quite pleased to be involved with, as Habitat does great work here in New York City. He stated that this is construction of approximately 15 units and it is his understanding that with this project as well, not only are there home capital funds through AHC going to that project, but they also have SONYMA single-family mortgage coverage on this project as well, and that again New York City HPD is partnered with AHC on this particular project. He stated that AHC's investment in these projects is small by comparison to the overall project costs, averaging about 10% in each of the projects for AHC investment in these activities. He stated that they continue to move forward and do good work on the AHC side. He stated that within the next month or two AHC will have its notice of funds for 2013 funding out the door and start to solicit applications for the next \$25 million in approved funding for the program. He stated that they forward to continuing their good work.

Commissioner Towns stated that Mr. Nelson and staff are doing a tremendous job of keeping an eye on the Agencies' primary mission, to create affordable housing, but at the same time, when you look at Lee, Irene, and Sandy, Mr. Nelson also has his focus on disaster recovery for a third of the state. He stated that it's really tremendous when you start looking at the counties that were impacted by one of the three storms. He stated that he is sure Mr. Nelson will be happy come Monday when Seth Diamond can take on a bunch of this and that his staff will be happy to have him back.

Mr. Nelson stated that he wants to commend Mr. Dominic Martello in particular. He stated that not only does Mr. Martello oversee the AHC program and does a stellar job, but as a Long Island resident himself he has spent a fair bit of time over the last month and a half in the field helping hundreds of applicants work their way into the hearings for disaster assistance and he has been able to manage quite well the demands in house as well as the work in the field, and he wants to thank Mr. Martello.

Chairman Mulrow stated that he echoes Commissioner Towns' comments. He thanked Mr. Nelson and stated that they have done a tremendous job.

Vice Chairman Weiss moved to the resolution; Commissioner Mattox seconded each motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION AUTHORIZING AWARDS OF GRANT FUNDS FOR CERTAIN PROJECTS LOCATED INSIDE AND OUTSIDE OF THE CITY OF NEW YORK.

The next item on the agenda was a resolution approving AHC Audited Financial Statements for the fiscal year ending March 31, 2013. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion regarding this item.

Vice Chairman Weiss moved to adopt the resolution; Commissioner Mattox seconded each motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION REVIEWING AND APPROVING AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2012-2013.

The next item on the agenda was a resolution approving AHC's PARIS filing. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion regarding this item.

Vice Chairman Weiss moved to adopt the resolution; Commissioner Mattox seconded each motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION ACCEPTING A FILING UNDER THE PUBLIC AUTHORITIES REPORTING INFORMATION SYSTEM.

Chairman Mulrow asked for a motion and a second to adjourn the AHC meeting. There being no unfinished business, Vice Chairman Weiss moved to adjourn; Commissioner Mattox seconded the motion, and the meeting was adjourned at 9:25 a.m.

Mr. Valella noted that the next Board meeting was scheduled for Thursday, July 11, 2013.


Alejandro J. Valella, Acting Secretary