

**MINUTES OF THE 235<sup>TH</sup> MEMBERS MEETING OF THE  
NEW YORK STATE AFFORDABLE HOUSING CORPORATION  
HELD ON SEPTEMBER 13, 2012 AT 9:31 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	Commissioner, Department of Taxation and Finance, Member
Renee Nowicki	Division of the Budget, representing Robert Megna, Member (via video conference)
Darryl C. Towns	Member

Chairman William J. Mulrow, opened and chaired the meetings. He noted that Renee Nowicki was participating in the meetings by video conference from the New York State Division of Budget conference center at the Capitol Building, Room 143, in Albany. A public notice was given of the time and location of that venue.

Aida Brewer, Deputy Commissioner and Treasurer, New York State Department of Taxation and Finance, attended the meeting in her role as representative of the Commissioner of Taxation and Finance.

Matthew L. Nelson, HFA/AHC Senior Vice President and President, Office of Community Renewal, attended the meeting as a guest, via video conference from the State Division of Budget conference center at the Capital Building, Room 143, in Albany.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary and asked for motions and seconds to call to order the Members and Directors meetings of the New York State Housing Finance Agency ("HFA"), State of New York Mortgage Agency ("SONYMA"), New York State Affordable Housing Corporation ("AHC"), State of New York Municipal Bond Bank Agency ("MBBA") and Tobacco Settlement Financing Corporation ("TSFC"). Vice Chairman Steven J. Weiss moved to call the HFA meeting to order; Chairman Mulrow seconded the motion. Vice Chairman Weiss moved to call the AHC meeting to order; Chairman Mulrow seconded the motion. Mr. Bergamo moved to call the SONYMA meeting to order; Mr. Lebowitz seconded the motion. Vice Chairman Kenneth M. Bialo moved to call the MBBA meeting to order; Ms. Susan L. Watson seconded the motion. Ms. Watson moved to call the TSFC meeting to order; Vice Chairman Bialo seconded the motion.

Mr. Valella stated that as items are presented to each Board throughout the meetings, these motions and seconds will be used, unless specific items call for a different vote, or unless any Board member wishes 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 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.

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**The first item on the agenda was the President's Report.** Chairman Mulrow requested that Darryl C. Towns, President and CEO of the Agencies, present his report. Mr. Towns reported that the Agencies have been hard at work all summer and highlighted some activities. He reported that HFA is scheduled to close approximately 15 multi-family deals by year's end, and is also poised to implement the Governor's New York State Medicaid Redesign Team - a housing initiative to add new capital to existing supportive-housing deals. He added that AHC plans to present a unique home-ownership project within an 80/20 project, in cooperation with the New York City Department of Housing Preservation and Development (HPD) and the New York City Housing Development Corporation (HDC). He reported that SONYMA's demand is picking up with August mortgage reservations averaging about \$1.7 million per day. He reported that the launch of a new product would occur in October called the SONYMA Conventional Plus program. He reported that the Governor's Regional Councils are headed for a second round, but AHC's programs will not be involved in this year's funding cycle.

Chairman Mulrow thanked Mr. Towns, and next requested that Mr. Valella recite the reports of the Committees.

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**The next item was the report of the Audit Committees.** Mr. Valella reported that the Audit Committees held meetings on September 11th and approved the minutes of the June 12, 2012 meetings; adopted a resolution recommending approval of the Fiscal Year 2013 Administrative Budget and Financial Plans; reviewed the Independent Auditor's presentation relating to the 2012 Financial Statement Audit Plan; reviewed the Financial Statement Update 3rd Quarter Fiscal Year 2012 for HFA, SONYMA, MBBA and TSFC, and the 1st Quarter of Fiscal Year 2013 for AHC; and reviewed the Report of Administrative Budget Expenditures for the nine months ending July 31, 2012 and updated Financial Plans.

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**The next item was the report of the Governance Committees.** Mr. Valella reported that the Governance Committees held meetings on September 11th and approved the minutes of the June 12, 2012 meetings; approved a resolution approving the continued retention of the Financial Reporting Services Agreement with Bloomberg L.P. for HFA and SONYMA; approved a resolution approving the continued retention of financial printing services contracts with ImageMaster, Inc. for HFA, SONYMA, MBBA and TSFC; approved a resolution approving the continued retention of co-bond counsel services agreement with

firms on the Agencies' prequalified panel for HFA, SONYMA, MBBA and TSFC; reviewed the MWBE Initiative and Progress Report; approved a resolution authorizing the continuation of the contract with SS&C Technologies, Inc. for the provision of a license for cash flow analysis software for HFA; approved contracts with firms on the Agency's prequalified panel for physical needs assessment services, construction monitoring services and Davis Bacon monitoring services for HFA; approved a resolution reviewing and approving the continued retention of the Master Servicer contract with M&T Bank for SONYMA; reviewed the contracts with CompuGain LLC and Iron Mountain Intellectual Property Management, Inc., and approved a resolution authorizing the approval to extend the contract with TF&G Consulting for SONYMA; approved a resolution approving the continued retention of Bank of New York Mellon for custody services for SONYMA; and reviewed the investment manager contract with Deutsche Investment Management Inc. for SONYMA.

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The next item on the agenda was the adoption of the minutes of the 234th AHC Members meeting held on July 12, 2012. Absent comments or corrections from the Members, Mr. Valella reported that the minutes were deemed approved

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The next item on the agenda was a resolution adopting the Fiscal Year 2013 Administrative Budget and each Agency's Financial Plan. Mr. Valella stated that the proposed Administrative Budget and the Financial Plans were discussed in detail at the September 11th Audit Committee Meeting and this item was now before the Board Members for approval. There was no further discussion.

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

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION ADOPTING AN ADMINISTRATIVE BUDGET FOR FISCAL YEAR NOVEMBER 1, 2012 TO OCTOBER 31, 2013**

**AND**

**FINANCIAL PLANS FOR FISCAL YEARS 2013, 2014, 2015 AND 2016 WITH RESPECT TO TO NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION, AND THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION'S FINANCIAL PLAN FOR FISCAL YEARS 2014, 2015, 2016 AND 2017**

**AND**

**PRELIMINARY CASH BUDGETS FOR THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY FOR FISCAL YEAR 2013.**

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**The next item on the agenda was an information item concerning the quarterly Administrative Budget Report as of July 31, 2012 and updated Financial Plans.** 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.

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**The next item on the agenda was an information item concerning review of the Quarterly Investment Reports for the quarter ending July 31, 2012.** 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.

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**The next item on the agenda was an information item concerning review of the Financial Statement Update 3rd Quarter of Fiscal Year 2012 for HFA, SONYMA, MBBA and TSFC, and the 1st Quarter of Fiscal Year 2013 for AHC.** 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.

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**The next item on the agenda was an information item concerning review of the Agencies' Third Quarterly Procurement Report for the period ending July 31, 2012 for Fiscal Year 2011-212.** 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.

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**The next item on the agenda was a resolution authorizing an award of grant funds in the amount of \$520,000 for a project known as 2nd Avenue Inclusionary Housing (AHC ID# 10M01), located at 11-17 Second Avenue in Manhattan.** Matthew L. Nelson, HFA/AHC Senior Vice President and President, Office of Community Renewal, stated that this unique construction project was being presented today due to its shift in usage of AHC funds, for a creative application of those funds in New York City as the housing market continues to evolve in this current economy. Mr. Nelson next introduced Dominick A. Martello, AHC Vice President, who stated that, although this project still meets the qualifications of AHC and its mission of affordable home-ownership for those who otherwise could not afford it, the awarded grant funds will finance the new construction of 13 owner-occupied co-op units contained within a 65-unit condominium which is part of a development on Second Avenue in the East Village. He stated that, of the 13 units being financed, 9 will house former tenants of the site whose incomes are above 60% of the AMI, and who would not have qualified for inclusionary zoning in the 421-a tax credit rentals.

Home ownership of the 13 units was devised by AHC, the developers and the New York City Housing Partnership as a way to make the project work. He stated that the 9 former tenants will purchase a unit at \$1 each; the remaining 4 units will be purchased for \$132,000 each after application of the subsidies. He stated that all the units will be affordable to tenants earning at or below 112% of the AMI for New York County.

Vice Chairman Weiss noted that the subsidy for each unit was \$40,000 and asked what the market value was of the units being sold. Mr. Martello stated that a one-bedroom would cost approximately \$674,000; a two-bedroom would cost about \$955,000. Mr. Martello added that there will be restrictions on re-sales of the 13 units, and that they will be perpetually affordable.

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

**A RESOLUTION OF THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION AUTHORIZING AN AWARD OF GRANT FUNDS FOR A PROJECT.**

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Chairman Mulrow next acknowledged the resignation of Board Member, Royce A. Mulholland. He stated that Mr. Mulholland provided great service and admirably served on the Board.

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Chairman Mulrow asked for a motion and a second to adjourn the AHC meeting. There being no unfinished business, Chairman Mulrow moved to adjourn; Vice Chairman Weiss seconded the motion, and the meeting was adjourned at 10:21 A.M.

  
Alejandro J. Valella, Acting Secretary