

**MINUTES OF THE
248th MEMBERS MEETING OF
THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION
HELD ON SEPTEMBER 11, 2014 at 8:30 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NY 10022**

MEMBERS AND DESIGNEES

PRESENT:

William J. Mulrow	Chairman
Steven J. Weiss	Vice Chairman
Nestor M. Davidson	Member
Joyce L. Miller	Member
Darryl C. Towns	Member
Renee Nowicki	New York State Division of the Budget, representing Robert Megna, Member (via video conference)

Chairman William J. Mulrow presided over the meeting and welcomed everyone.

Mr. C. Jason Kim, Senior Vice President and Counsel to the Agencies, acted as Secretary. He noted that Ms. Renee Nowicki and Linda M. Baldwin participated in the meetings via video conference from the New York State Division of Budget conference center at the Capitol Building, Room 131, in Albany. A public notice was given of the time and location of the venue in accordance with the New York State Open Meetings Law.

Mr. Kim asked for motions and seconds to call to order the Members and Directors meetings of the New York State Housing Finance Agency ("HFA"), the New York State Affordable Housing Corporation ("AHC") and the State of New York Mortgage Agency ("SONYMA"). Chairman Mulrow moved to call the HFA and AHC meetings to order; Ms. Nowicki seconded the motion. Mr. Anthony Bergamo moved to call the SONYMA meeting to order; Chairman Mulrow seconded the motion. Mr. Andrew SanFilippo move to call the MBBA and TSFC meetings to order; Chairman Mulrow second the motion.

Mr. Kim 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 Housing Finance Agency. A record of items considered by the other Agencies is contained in the minutes of each of the Agencies.

The first item on the agenda was the President's Report. Commissioner Towns welcomed everyone back and expressed his hope that everyone had an enjoyable summer.

Commissioner Towns reported that the Agencies are entering into the fourth quarter which usually proves to be a busy period, this year being no exception. He said that he was pleased that the agencies have been able to implement Governor Andrew M. Cuomo's mandate that is laid out in his House NY Program.

Commissioner Towns next reported that, earlier in the day, the Mortgage Insurance Committee approved insurance for eight projects representing 844 units of affordable housing located in New York City ("NYC"), Sullivan, Westchester and Nassau counties. He reported that on the multifamily side, today, HFA will be seeking the approval for eight projects totaling nearly \$500 million in financing.

Commissioner Towns stated that the Board will be briefed on a new volume cap recycling mechanism that will allow the Agencies to capture and recycle volume cap in a more efficient way. He said that members of the Board will be asked to approve the appointment of a new senior officer, Ted Houghton. Additionally, he said, the Board will be updated on administrative items, i.e. Agency Investments, Procurement and Bond sales and that Agency financial statements are also included in the materials.

Commissioner Towns stated that today, the AHC Board will have an opportunity to review awards being sought totaling just over \$7 million; these awards represent 200 units within NYC and 145 units outside of NYC including the counties of: Monroe, Erie, Broome, Wayne, Onondaga and Orleans.

Lastly, Commissioner Towns reported that Ms. Marian Zucker, President, Finance and Development, had been given the ALS (amyotrophic lateral sclerosis aka Lou Gehrig's disease) challenge. Commissioner Towns said Ms. Zucker then asked her colleagues that included himself and Senior Vice President, Mr. Michael Friedman to join her.

Ms. Zucker reported that the Agencies raised \$1,000. The challenge has subsequently been brought to Vicki Bean, Commissioner of the New York City Department of Housing Preservation and Development and Shola Olatoye, Chairperson of the New York City Housing Authority.

A moment of silence was observed at 8:46 a.m. to acknowledge the tragic events of September 11, 2001.

The next item on the agenda was the report of the Audit Committee. Mr. Kim reported that the Audit Committee held a meeting on Tuesday, September 9th and adopted the minutes of the June 10, 2014 meeting. He next reported that the Audit Committee adopted the following resolutions and:

- All five Agencies adopted a resolution recommending the approval of Administrative Budget Request and Financial Plans for FY2015
- All five Agencies received a presentation from the Independent Auditor's (Ernst & Young)
- All five Agencies reviewed Financial Statement Update for 2nd and 3rd Quarters Fiscal 2014 and 1st Quarter Fiscal 2015 for AHC.
- All five Agencies reviewed report of administrative budget expenditures for the nine months ending July 31, 2014 and updated financial plans.

The next item on the Agenda was the report of the Governance Committee. Mr. Kim reported that the Governance Committee held a meeting on Tuesday, September 9th and adopted the minutes of the June 10, 2014 meeting. He next reported that the Governance Committee adopted the following resolutions

- All five Agencies adopted a resolution approving contract with E.G. Bowman for insurance broker services and approval and/or review of various contracts monitored by the Facilities and Administration Department.

The next item on the agenda was the adoption of the minutes of the 247TH AHC Members meeting held on June 12, 2014. Absent comments or corrections from the Members, Mr. Kim reported that the minutes were deemed approved.

The next item on the agenda was a resolution approving the appointment of a Senior Officer. Commissioner Towns announced that he was pleased to introduce and present for consideration the appointment of Ted Houghton as the Agencies' Senior Vice President and Executive Deputy Commissioner.

Commissioner Towns reported that Mr. Houghton comes to the Agencies with tremendous experience in housing and that particularly, he has been an advocate for special needs housing.

Commissioner Towns reported that Mr. Houghton currently resides in Brooklyn, New York, but is originally from California. He noted that the Agencies are excited about him joining. Mr.

Houghton expressed his excitement about working with the very many talented individuals in the Agencies.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was unanimously adopted:

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY
THE STATE OF NEW YORK MORTGAGE AGENCY STATE OF NEW YORK
MUNICIPAL BOND BANK AGENCY NEW YORK STATE AFFORDABLE
HOUSING CORPORATIN AND TOBACCO SETTLEMENT FINANCING
CORPORATION APPOINTING TED HOUGHTON AS SENIOR VICE
PRESIDENT**

The next action item on the agenda was a resolution approving the Administrative Budget Request and Financial Plans for Fiscal Year ("FY") 2014. Ms. Sheila Robinson, Chief Financial Officer accompanied by Deputy Vice President, Darryl Johnson and Gary Weinstock, Vice President/Comptroller provided the relevant background information with regard to this request. Ms. Robinson reported on the FY 2015 Administrative Budget Request (for the period November 1, 2014 to October 31, 2015) totaling \$56.8 million; and said that this is a \$1,103,000 or 1.985% increase from FY 2014.

Ms. Robinson noted that this Budget request was an estimate of combined resources needed to administer the five Agencies. She noted that only HFA and MBBA prepare Cash/Program Budgets which are required to be filed with the respective bond trustees. Ms. Robinson noted that Cash/Program Budgets are submitted to the Members and Directors in two versions: Preliminary and Final.

Ms. Robinson stated that discretionary spending continues to be less than last year. She noted that after last year's discussions, staff reached out to the New York City Comptroller's Office resulting in no deficits existing for the next four years (this change was agreed to by their office).

Chairman Mulrow requested that the Finance team further elaborate on staffing and its impact on the budget. She stated that the Agencies concluded, approximately three years ago, that there would exist growing demands for Agency programs and that as a result new staff hires would be needed. Ms. Robinson noted that management feels better now, with the number of employees now increased to 192.

HFA Member, Mr. Davidson noted that he is impressed that the total percentage change from one year to the other has been kept under 2%. Ms. Robinson noted that pension fund savings represented one of the main areas of budgetary savings, based on projections from the State's Pension Fund. She noted that one of the areas in the proposed budget that contains substantial increases is in the capital budget. Ms. Robinson reported that the Agencies' Information Technology ("IT") system is old and aging and as a result, Management is hiring a consultant to evaluate the ongoing needs. The budget reflects the projected increased capital funding in this IT area.

Ms. Robinson reported that the Financial Plans were submitted in the format required by the State Comptroller and Authority Budget Office. She said that these condensed statements included revenue and expenses that also included restricted revenues and expenses, which are not part of the Administrative Budget. She said that the Financial Plans do not include revenues and expenses associated with conduit debt. Ms. Robinson said that the four year Financial Plans for HFA, SONYMA, MBBA and TSFC have an October 31st fiscal year-end date.

Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

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 ADMINSTRATIVE BUDGET FOR FISCAL YEAR NOVEMBER 1, 2014 TO OCTOBER 31, 2015 AND FINANCIAL PLANS FOR FISCAL YEARS 2015, 2016, 2017 AND 2018 WITH RESPECT TO THE 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 2016, 2017, 2018 AND 2019 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 2015

Chairman Mulrow stated that the next four (4) items on the agenda were information items concerning:

- a) Review of the Agencies' Quarterly Procurement Report for the period ending July 31, 2014.
- b) Review of Third Quarterly (2014) Investment Reports for the period ending July 31, 2014 for HFA/SONYMA/MBBA/TSFC and First Quarterly Report for the period ending June 30, 2014 for AHC.
- c) Financial Statement Update 2nd and 3rd Quarters Fiscal 2014 (HFA/SONYMA/MBBA/TSFC) and 1st Quarter Fiscal 2015 (AHC)
- d) Report of administrative budget expenditures for the periods ending April 30th and July 31, 2014 and updated financial plans.

Chairman Mulrow stated that information regarding these items were contained in the meeting materials provided to the Directors which are incorporated herein by reference. There was no discussion regarding these items.

The next item on the agenda was a resolution authorizing award of grant funds for certain projects locate inside and outside of the City of New York. Mr. Dominic A. Martello, Vice President, AHC presented the next resolution requesting funding of certain applications for new awards. The previously distributed Status of Funds Report, Schedule of Projects and Project Data forms provided the pertinent background information as it relates to applicants and key features of the respective projects for which awards are sought.

Ms. Miller had a number of questions about the number of projects having been completed and the construction status of other projects. She also questioned the language used in the proposed board resolution. On the resolution, she requested that it be revised to include a representation from AHC staff that the projects being presented were supported by staff and had been reviewed to ensure that all program objectives were being satisfied. Mr. Martello agreed to revise the resolution, and noted that in the future this language would be included in all resolutions. Mr. Martello explained that the report represents a cumulative report which highlights the fact that the Agency has not spent more than 50% of its funds. He noted that the report is not a full listing of all of the projects nor does it represent a tracking report. He also noted that the five (5) boroughs are considered to be one municipality in NYC.

Mr. Martello noted that the beginning balance represents the allocation of funds. He noted that as of the date of the meeting, there will be no more funds available for projects outside of New York City. He said in the future, this report will be made clearer including the recommendations that the footnote explain what recaptured funds consist of and a Pipeline report of applications received.

Considering the first and second motions previously entered, the motions were carried, 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 OUTSIDE AND INSIDE OF THE CITY OF NEW YORK.

There being no unfinished business, Mr. Kim asked for motions and seconds to adjourn the meeting. Commissioner Towns moved to adjourn the AHC meeting; Mr. Weiss seconded the motion. The meeting was adjourned at 10:40 a.m.

Mr. Kim informed the Members that the next Board meeting is scheduled for Thursday, October 9, 2014, at 8:30 a.m.


C. Jason Kim, Secretary