MINUTES OF THE
39TH MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY
GOVERNANCE COMMITTEE
HELD ON TUESDAY, SEPTEMBER 9, 2014 AT 9:40 A.M.
AT ITS OFFICES AT
641 LEXINGTON AVENUE
NEW YORK, NY 10022

MEMBERS AND DESIGNEES

PRESENT:

Steven J. Weiss	Committee Chairman (via videoconference)
Nestor M. Davidson	Member
Darryl C. Towns	Member
Renee Nowicki	New York State Division of the Budget Representing Robert Megna, Member (via videoconference)

Committee Chairman Steven Weiss presided over the meeting.

Mr. C. Jason Kim, Senior Vice President and Counsel to the Agencies, acted as Secretary. He noted that Mr. Steven J. Weiss, is attending the meeting from the Agencies' Buffalo Regional Office at Electric Tower, 535 Washington Street, Suite 105; he also noted that Ms. Renee Nowicki, representing Budget Director Robert Megna from the New York State Division of the Budget is attending the meeting via videoconference 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 venues in accordance with the New York State Open Meetings Law.

Mr. Kim asked for motions and seconds to call the Governance Committee meetings to order of the New York State Housing Finance Agency (HFA) and the New York State Affordable Housing Corporation (AHC); the State of New York Mortgage Agency (SONYMA); the State of New York Municipal Bond Bank Agency ("MBBA") and the Tobacco Settlement Financing Corporation ("TSFC"). Mr. Davidson moved to call the HFA and AHC meetings to order; Commissioner Towns seconded the motion. Commissioner Towns moved to call the SONYMA meeting to order; Ms. Nowicki seconded the motion. Ms. Baldwin called the MBBA and TSFC meetings to order; Mr. Bialo seconded the motion.

Mr. Kim reported that Steven J. Weiss is the Governance Committee Chairman for the New York state Housing Finance Agency and the New York State Affordable Housing Corporation. He

said that since Naomi Bayer has resigned her positions on the MBBA and TSFC Committees, that Kenneth M. Bialo will be the Acting Chairman for these two Committees and that Commissioner Darryl C. Towns will be the Acting Chairman for SONYMA.

The meetings of the Governance Committees of the affiliated agencies were opened in joint session for the 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 (HFA) Governance committee. A record of items considered by the Governance Committees of the other affiliated agencies is contained in the minutes of each Committee respectively. Mr. Kim stated that for purposes of convenience and to make sure the meetings of the respective agencies go smoothly, items shared by one or more of the Agencies will be presented by MSBC/TSFC Acting Chairman, Kenneth Bialo.

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The first item on the agenda was the adoption of the minutes of the New York State Housing Finance Agency (HFA) 38th Governance Committee meeting held on June 10, 2014. Absent comments or corrections from the Members, the minutes were deemed approved.

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The next item on the agenda was a resolution approving a contract with E.G. Bowman for insurance broker services and approval and/or review of various contracts monitored by the Facilities and Administration Department. It was confirmed that E.G. Bowman although, mistakenly, not listed as an MBE/WBE is, in fact, an MBE/WBE. It was also confirmed that as it relates to the Agencies' Procurement and Contract Guidelines, the contract falls under Article VIII of the Guidelines which provides for consideration to be given to certain kinds of contracts that may be promoted, prohibited, or subjected to certain limitations which include, but are not limited to, contracts with MBEs and WBEs, New York State business enterprises and enterprises from "Discriminatory Jurisdictions."

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

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MORTGAGE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, TOBACCO SETTLEMENT FINANCING CORPORATION AUTHORIZING APPROVAL OF CONTRACTUAL AGREEMENTS FOR FACILITY, ADMINISTRATION, AND INSURANCE RELATED SERVICES

The next item on the Agenda was a resolution approving contracts for financial services relating to arbitrage rebate calculations. This was a consent item and it was noted that there would be no discussion unless the Members so desire. It was noted that information in connection with this item was contained in the materials provided to the Members in advance of the meeting, which materials are incorporated herein by reference.

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

> **A RESOLUTION OF THE GOVERNANCE COMMITTEES OF 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 AUTHORIZING CONTRACTS WITH FIRMS FOR ARBITRAGE REBATE CALCULATIONS SERVICES**

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The next item on the Agenda was a resolution approving contracts with Image Master LLC and annual review of the contract with SS&C Technologies. Mr. Kim noted that this is a resolution authorizing the continued retention of contracts with Image Master LLC for Financial Printing Services and due to the fact that it is a consent item, there would be no discussion unless the Members so desire. It was noted that information in connection with this item was contained in the materials provided to the Members in advance of the meeting, which materials are incorporated herein by reference.

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

> **A RESOLUTION OF THE GOVERNANCE COMMITTEES OF 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 AUTHORIZING THE CONTINUED RETENTION OF CONTRACTS WITH IMAGE MASTER LLC FOR FINANCIAL PRINTING SERVICES**

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The next item on the Agenda was a resolution approving a Contract with Gartner, Inc. for Information Technology ("IT") Consultant Services. It was noted that Gartner is an experienced governmental IT consultant and that this contract represents a joint venture between Gartner and the New York State Office of General Services. The Agencies entered into a Statement of Work using New York State's centralized Contract (#PS66085) for work to be performed by

Gartner for both the New York State Division of Housing and Community Renewal ("DHCR"), ITS and the Agencies. As a result, DHCR was able to negotiate a lower price with Gartner and will be asked to pick up the other half of the costs.

This was a consent item and it was noted that there would be no discussion unless the Members so desire. It was noted that information in connection with this item was contained in the materials provided to the Members in advance of the meeting, which materials are incorporated herein by reference.

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

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY FOR INFORMATION TECNOLOGY CONSULTING SERVICES WITH GARTNER, INC.

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The next item on the agenda was a resolution approving the HFA/SONYMA financial reporting services contract with Bloomberg LLP and approval of the SONYMA Custody Services Agreement with the Bank of New York Mellon. Chairman Weiss presented the resolution for approval.

This was a consent item and it was noted that there would be no discussion unless the Members so desire. It was noted that information in connection with this item was contained in the materials provided to the Members in advance of the meeting, which materials are incorporated herein by reference.

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

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY APPROVING THE CONTINUED RETENTION OF CONTRACTS WITH THE BANK OF NEW YORK MELLON FOR CUSTODY SERVICES AND BLOOMBERG LLP FOR FINANCIAL REPORTING SERVICES

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The next item on the agenda was a resolution approving the extension of the insurance consultant contract with Insurance Advisors LLC and annual review of the insurance consultant contract with Sullivan-Hernandez Agency, Inc. This was a consent item and it was

noted that there would be no discussion unless the Members so desire. It was noted that information in connection with this item was contained in the materials provided to the Members in advance of the meeting, which materials are incorporated herein by reference.

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

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOUSING FINANCE AGENCY APPROVING THE RETENTION OF AN INSURANCE CONSULTANT CONTRACT WITH INSURANCE ADVISORS LLC

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The next item on the agenda was a resolution approving the Agency's contracts with Pathstone Corporation, Inhouse Corporation, Long Island Housing Partnership and annual review of the McCormick Consulting Services, Inc. contract for technical assistance consultant services with respect to the Agency's Manufactured Home Cooperative Fund Program. This was a consent item and it was noted that there would be no discussion unless the Directors so desire. It was noted that information in connection with this item was contained in the materials provided to the Members in advance of the meeting, which materials are incorporated herein by reference.

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

A RESOLUTION OF THE GOVERNANCE COMMITTEES OF THE NEW YORK STATE HOUSING FINANCE AGENCY APPROVING THE CONTINUED RETENTION OF CONTRACTS WITH FIRMS ON THE AGENCY'S PREQUALIFIED PANEL OF TECHNICAL ASSISTANCE PROVIDERS FOR THE MANUFACTURED HOME COOPERATIVE FUND PROGRAM

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The next item on the agenda was the annual review of legal services contract with Denton US LLP as counsel to HFA in its role as lender to the acquired 44 project loan portfolio. This was an information item and there was no discussion on this item. It was noted that information in connection with this item was contained in the materials provided to the Members in advance of the meeting, which materials are incorporated herein by reference.

The next item on the agenda was a Presentation on the Agencies' Policies relating to Independent Registered Municipal Advisors and the SEC MDC initiative. Ms. Zucker reported that as a result of the significant changes in The Dodd-Frank Act, the Agencies have been

impacted by the Municipal Advisor Rule ("MA Rule"). She explained that The MA Rule (effective July 1, 2014) defines the role and responsibilities of a "municipal advisor" as an entity that provides municipal advisory services to their municipal clients and that has a fiduciary duty to each client. Ms. Zucker noted that in order for the Agencies' bond underwriters not to be considered "municipal advisors" (triggering registration requirements) the Agencies would have to publicly announce the designation of certain firms that would serve as independent registered municipal advisors (IRMAs) to the Agency. She said any conversations with investment bankers that may include advice must be shared with by the Agencies with the appointed IRMAs if the Agencies wished to further pursue the ideas. She said that in this way, the bond underwriters can continue to provide us with ideas, and not lose their exemption from registration, and the Agencies can rely on the expertise of the appointed IRMAs in reviewing proposed ideas.

Ms. Zucker commented on a related SEC initiative: the Municipalities Continuing Disclosure Cooperation (MCDC). Ms. Zucker noted that the Agencies had reviewed all their past Continuing Disclosure Agreements and Official Statements to ensure that no misstatements or omissions existed which would lead the Agencies to self-report under the MCDC. She said the Agencies also touched base with all the underwriters that have participated in Agency financings to see if, as a result of their review on Agency activity they had concluded that there were items to self-report. She noted that no underwriter had reported on the need to self-report. Ms. Zucker thanked Alex Valella, Helen Pennock, Gloria Boyd and Sheila Robinson and her team for their assistance.

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The next item on the agenda was a follow-up discussion of MWBE. Ms. Wanda Graham, HCR's Director of the Office of and Equal Opportunity and a member of NYSAFAH's MWBE advisory committee reported that Agency representatives will be attending Governor Cuomo's annual MWBE Conference. She reported favorably on the MWBE accomplishments of the Agencies by noting that there were several projects where the Agencies either met or exceeded their MWBE goals. She said for the first quarter of the year, the Agencies achieved over 18% participation, which fell just short of the 20% goal.

Ms. Lisa Pagnozzi reported on the procurement and development activities. She reported that during the third quarter, the Agencies did exceptionally well. She noted that typically the Agencies achieve 30% participation (which is above the 20% goals) but that in the third quarter the Agencies achieved in excess of 35% participation. She noted that legal contracts, in particular, contributed to that percentage.

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There being no unfinished business Commissioner Towns moved to adjourn the meeting; Committee Chairman Weiss seconded the motion and the meeting was adjourned at 10:18 a.m.

Mr. Kim announced that the next Governance Committee meeting would be held on Tuesday, December 9, 2014 at 9:00 a.m.

C. Jason Kim, Secretary