

**MINUTES OF THE 437TH MEMBERS MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY
HELD ON MAY 9, 2012 AT 8:40 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
Darryl C. Towns	Member (via telephone)
Aida Brewer	Department of Taxation and Finance, representing Thomas H. Mattox, Commissioner, Member
Elaine McCann	Division of the Budget, representing Robert Megna, Member (via video conference)

ABSENT:

Royce A. Mulholland	Member
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Chairman William J. Mulrow, opened and chaired the the meetings. He noted that Darryl C. Towns, President and CEO of the Agencies, and Naomi Bayer, Vice Chairperson and Director of the State of New York Mortgage Agency (“SONYMA”), were participating in today’s meetings by telephone, and that neither would be counted for quorum purposes or would be voting at these meetings. He also noted that Elaine McCann was participating in the meetings by video conference from the New York State Division of Budget conference center at the Capital Building, Room 143, in Albany. A public notice was given of the time and location of that venue.

Naomi Bayer, Vice Chairperson and Director of SONYMA (via telephone); Anthony Bergamo, Director of SONYMA; Don Lebowitz, Director of SONYMA; and Marge Rogatz, Director of SONYMA, attended the meeting as guests.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary and stated that Joseph R. Palozzola, an attorney in the Legal Department of the Agencies and the Agencies’ Intergovernmental Representative, would assist him at today’s meetings.

Mr. Palozzola asked for motions and seconds to call the meetings to order 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”). Mr. Mulrow made a motion to call the HFA meeting to order; Ms. McCann seconded the motion.

Mr. Mulrow made a motion to call the AHC meeting to order; Ms McCann seconded the motion. Mr. Lebowitz made a motion to call the SONYMA meeting to order; Mr. Bergamo seconded the motion.

Mr. Palozzola 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 Housing Finance Agency. 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, President and CEO of the Agencies, present his report via telephone. Mr. Towns explained that he was required to attend an emergency cabinet meeting in Albany. He thanked the staff for making adjustments and utilizing technology to achieve greater efficiency in the Board meetings, and invited staff feedback and comments to ensure that the process is headed in the right direction.

Chairman Mulrow thanked Mr. Towns, and acknowledged that the Board meetings have moved to a paperless format and are becoming more efficient, thereby, saving money. Chairman Mulrow next requested that Mr. Palozzola recite the report of the Mortgage Insurance Committee.

The next item on the agenda was the adoption of the minutes of the 436th HFA Members meetings held on April 4, 2012. Absent comments or corrections from the Members, Mr. Palozzola reported that the minutes were deemed approved.

The next item on the agenda was a resolution authorizing the approval of a Panel of Underwriting Firms. Chairman Mulrow stated that the Agencies were the largest issuers of housing bonds in the country, and requested that Marian A. Zucker, President for the Office of Finance and Development, update the Agencies on the process of the approval of underwriters. Ms. Zucker stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. To summarize, she stated that the current panel of underwriters before the Boards for approval was being recommended for two years plus an optional one-year extension. She stated that the selection process included posting a Request For Proposals (RFPs) on the Agency website, placing a notice in The Bond Buyer periodical and sending emails to firms, which included minority and women-owned business enterprises (MWBEs). She stated that 17 of 42 responding firms were invited to interview with the Agencies' review committee,

which then established two panels that consisted of a senior manager panel and co-manager panel.

Ms. Rogatz praised the increased presence of MWBEs and the amount of work executed by Agency staff for exceeding its goals toward this endeavor. Mr. Towns thanked Ms. Zucker and the Agency staff for its outreach efforts to MWBEs.

Mr. Weiss asked what firms were on the current list and how the Agencies selected investment banking firms for their bonds transactions. Ms. Zucker stated that the debt issuance department submitted quarterly reports to the Board as to which firms were used to lead each Agency transaction. She then presented a summary of certain information contained in the memorandum in today's Board Meetings book. She stated that selection on particular transactions is based on the overall strengths and experience of each firm, relative to the type and size of the Agency transaction involved. Chairman Mulrow stated that a balance is sought in weighing which firm is selected for the underwriting panel and which firm will thereafter senior-manage a deal, which engenders competition and the contribution of good ideas. Mr. Weiss asked if the Agencies keep a record of how MWBE firms are used. Ms. Zucker replied that the Agencies maintain MWBE goal reporting requirements and records.

Chairman Mulrow moved to adopt the resolution; Ms. McCann seconded the motion, and the following resolution was adopted unanimously:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY APPROVING A PANEL OF UNDERWRITING FIRMS.

At 8:56 A.M. Mr. Valella announced that the Board meeting would enter into Executive Session to discuss the financial or employment history of a particular corporation, pursuant to Section 105(f) of New York State Open Meetings Law. The public Board meeting reconvened at 9:17 A.M., and Mr. Valella announced that no votes were taken in Executive Session.

The next item on the agenda were resolutions authorizing financing for 388 Bridge Street Apartments in Kings County. Chairman Mulrow asked Ms. Zucker to provide some background information regarding this item, in addition to the information contained in the materials provided in connection therewith, which materials are incorporated herein by reference. Ms. Zucker stated that this project was before the Board in 2010, but it did not go forward then, due to various issues which have since been resolved. She stated that the total development cost of the project is approximately \$159 million, of which the Agency will issue \$86 million in tax exempt bonds, with the remainder financed by the developer's equity. She stated that M&T Bank will provide a letter of credit during the construction period. Chairman Mulrow asked what other banks provide letters of credit. Ms.

Zucker stated that banks which provide construction letters of credit include Wells Fargo, Heleba, JP Morgan and Bank of America, adding that it was typical for Agency transactions to use multiple banks so that no one bank assumes full exposure.

Chairman Mulrow moved to adopt the resolutions; Ms. McCann seconded the motion, and the following resolutions were adopted unanimously:

AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN MATTERS IN CONNECTION WITH THE FINANCING OF THE PROJECT KNOWN AS 388 BRIDGE STREET APARTMENTS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 388 BRIDGE STREET HOUSING REVENUE BONDS.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 388 BRIDGE STREET HOUSING REVENUE BONDS, 2012 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$94,000,000.

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 388 BRIDGE STREET HOUSING REVENUE BONDS, 2012 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$94,600,000.

The next item on the agenda was an omnibus resolution to amend and restate certain bond series resolutions and to authorize and approve certain matters in connection with the financing of 350 West 43rd Street (a/k/a Ivy Towers). Chairman Mulrow asked Ms. Zucker to discuss this item, in addition to the information contained in the materials provided in connection therewith, which materials are incorporated herein by reference. Ms. Zucker stated that the project bonds were credit-enhanced by Landesbank Hessen-Thuringen Girozentrale ("Heleba") in 2004; and that since the 2004 credit substitution, Moody's Investor Service reduced the rating of Heleba, which was expected to increase the price of its weekly adjustable-rate bonds. She stated that Heleba was on credit watch; and this item was before the Board to request that an option for a daily interest rate be incorporated into the project's previously adopted series resolutions, which would result in greater flexibility.

Chairman Mulrow moved to adopt the resolution; Ms. McCann seconded the motion, and the following resolution was adopted unanimously:

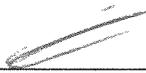
AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN MATTERS IN CONNECTION WITH THE FINANCING OF THE PROJECT KNOWN AS 350 WEST 43RD STREET (AKA IVY TOWERS).

The next item on the agenda was a resolution amending the Agency's Affordable Housing Revenue Bonds, 2008 Series B Resolution and 2008 Series C Resolution. Chairman Mulrow asked Ms. Zucker to discuss this item, in addition to the information contained in the materials provided in connection therewith, which materials are incorporated herein by reference. Ms. Zucker stated that due to the 2008 market turmoil which jeopardized several Agency transactions, SONYMA's Mortgage Insurance Fund ("MIF") agreed to purchase the 2008 HFA Series B and Series C Bonds through a private placement. She stated although HFA and SONYMA are two separate Agencies with separate Boards under State law, their Members and Directors overlap; and if vacancies on the Boards result in the majority of one Board's Members or Directors being simultaneously on the other Board, the Agencies become at risk of being considered one entity, which may cause the investment of MIF to be extinguished. She stated that the Agency seeks to amend the resolutions to register the bonds with The Depository Trust Corporation as publicly-traded bonds in order to ensure that MIF be able to divest itself of its investment.

Chairman Mulrow moved to adopt the resolution; Ms. McCann seconded the motion, and the following resolution was adopted unanimously:

AN OMNIBUS RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING CHANGES TO CERTAIN RESOLUTIONS AMENDING THE AGENCY'S AFFORDABLE HOUSING REVENUE BONDS, 2008 SERIES B AND SERIES C RESOLUTIONS.

Chairman Mulrow asked for a motion and a second to adjourn the HFA meeting. There being no unfinished business, Chairman Mulrow moved to adjourn; Ms. McCann seconded the motion, and the meeting was adjourned at 9:34 a.m.



Secretary