

**MINUTES OF THE 436TH MEMBERS MEETING OF THE  
NEW YORK STATE HOUSING FINANCE AGENCY  
HELD ON APRIL 4, 2012 AT 2:00 P.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	Department of Taxation and Finance, Commissioner, Member
Royce A. Mulholland	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 and announced his recent appointment as Chairman of the State of New York Mortgage Agency and the New York State Housing Finance Agency. He thanked everyone and stated that he was proud to be part of such highly renowned, public service agencies and their important mission to provide affordable housing.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary and 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), the New York State Affordable Housing Corporation ("AHC"), the State of New York Municipal Bond Bank Agency ("MBBA") and the Tobacco Settlement Financing Corporation ("TSFC"). Chairman Mulrow made a motion to call the AHC meeting to order; Mr. Mulholland seconded the motion. Chairman Mulrow made a motion to call the HFA meeting to order; Mr. Mulholland seconded the motion. Ms. Rogatz made a motion to call the SONYMA meeting to order; Ms. Bayer seconded the motion. Mr. Bialo made a motion to call the MBBA meeting to order; Ms. McCann seconded the motion. Mr. Bialo made a motion to call the TSFC meeting to order; Ms. McCann seconded the motion.

Mr. Valella noted 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.

Mr. Valella noted that Elaine McCann was participating in the meeting 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 locations of both venues.

Naomi Bayer, Director of MBBA and Member of TSFC; Anthony Bergamo, Director of SONYMA; Kenneth M. Bialo, Vice Chairman of MBBA and TSFC; Don Lebowitz, Director of SONYMA; and Marge Rogatz, Director of SONYMA, attended the meeting as guests.

\*\*\*\*\*

**The first item on the agenda was the President's Report.** Darryl C. Towns, President and CEO of the Agencies, first welcomed William J. Mulrow as new Chairman of the Agencies. Mr. Towns next reported that the New York State budget of \$132.6 billion was passed on time, largely due to the leadership of Governor Andrew Cuomo. He next reported that the consolidated funding application was going to change this year, adding that previous funds used for housing resources would be redirected.

Chairman Mulrow next suggested some changes to restructure the process of future Board meetings, which would include moving discussion of procedural and resolution actions to the Committee level, in order to focus more Board time on major projects, financings and policy issues.

\*\*\*\*\*

**The next item was the report of the Audit Committees.** Mr. Valella reported that the Audit Committee held a meeting earlier that day and approved the minutes of the January 25, 2012 meeting; adopted a resolution authorizing the approval of Internal Audit staff's Work Plan for Fiscal Year 2013; adopted a resolution authorizing the approval of the Sixth Annual Self-Evaluation of the Audit Committee's Performance and no changes to the Charters; and reviewed the Financial Statement Update First Quarter Fiscal Year 2012.

\*\*\*\*\*

**The next item was the report of the Governance Committees.** Mr. Valella reported that the Governance Committee held a meeting earlier that day and approved the minutes of the January 25, 2012 meeting; adopted a resolution authorizing the approval of the Sixth Annual Evaluation by the Governance Committees; and adopted a resolution recommending approval of the Agencies' consolidated Property Disposition Guidelines and Annual Inventory and Disposition Reports.

\*\*\*\*\*

\*\*\*\*\*

**The next item on the agenda was the adoption of the minutes of the 435th HFA Members meetings held on January 25, 2012.** Absent comments or corrections from the Members, the minutes were deemed approved.

\*\*\*\*\*

**The next item on the agenda was a resolution authorizing the amendment of the 2012 Administrative Budget.** Joanne Hounsell, Senior Vice President and Interim Chief Financial Officer, stated that information regarding this item was contained in the materials provided in connection with this item, which materials are incorporated herein by reference. She stated that in September 2011, the Directors and Members approved a \$52.4 million Administrative Budget and HFA/SONYMA financial plans, and that recovery fee charges reported are \$10,118,182. She noted that cost recovery fees, at 18% of the Agencies' administrative budget, are the second largest expense after salaries, and is the mechanism whereby the state allocates certain expenses to public authorities that issue bonds. She stated that over the past five years, the cost recovery fees charged to the Agencies increased almost 50%. Ms. Hounsell requested Board approval to pay the \$10,118,182 cost recovery charge, to amend the budget to \$53.252 million and to increase the financial plans to \$843,000 for payment of cost recovery fees.

Mr. Bialo asked why cost recovery fees rose so dramatically. Ms. McCann acknowledged the increase and stated that cost recovery fees are calculated annually, based on the needs of the financial plan. Ms. Hounsell noted that cost recovery fees were unsuccessfully questioned and challenged by the prior administration. Chairman Mulrow noted his support of the Governor's initiatives to make government work more efficiently and suggested that, going forward, it would be educational to know how the formula is calculated.

Ms. Bayer asked if the strain placed on the Agencies' finances due to increased cost recovery fees would materially affect anything. Ms. Hounsell stated that it has lead the Agencies to use a portion of its fund balance because of subsidy loans which were provided to projects, a decrease in new business and reduced interest earnings.

Mr. Lebowitz requested more information on how the current amount was calculated. Chairman Mulrow reiterated his intention to obtain more information to provide to the Board Directors and Members as to how cost recovery fees are calculated. He asked if there were any further questions or comments, and there were none.

Chairman Mulrow moved to adopt the resolution; Mr. Mulholland 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 AMENDING THE FISCAL YEAR 2012 ADMINISTRATIVE BUDGET AND APPROVING CORRESPONDING AMENDMENTS IN THE FINANCIAL PLANS OF THE NEW YORK HOUSING FINANCE AGENCY AND THE STATE OF NEW YORK MORTGAGE AGENCY.**

\*\*\*\*\*

**The next item on the agenda was a consent item for the annual review and approval of the Agencies' Disaster Recover/Business Continuity/Pandemic Test Results conducted in January 2012.** Chairman Mulrow stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

Chairman Mulrow moved to adopt the resolution; Mr. Mulholland 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 HOUSING CORPORATION, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND TOBACCO SETTLEMENT FINANCING CORPORATION, APPROVING THE ANNUAL DISASTER RECOVERY, BUSINESS CONTINUITY AND PANDEMIC TEST RESULTS**

\*\*\*\*\*

**The next item on the agenda was a resolution authorizing the approval of the Agencies' Property Disposition Guidelines and adoption of the Agencies' consolidated Inventory and Property Disposition Report.** Chairman Mulrow stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

Chairman Mulrow moved to adopt the resolution; Mr. Mulholland 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 AND STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY CONCERNING THE PROPERTY DISPOSITION GUIDELINES AND THE INVENTORY AND PROPERTY DISPOSITION REPORT.**

\*\*\*\*\*

**The next item on the agenda was a resolution accepting the Sixth Annual Self Evaluation by the Audit Committees.** Chairman Mulrow stated that information regarding

this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

Chairman Mulrow moved to adopt the resolution; Mr. Mulholland 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 CONCERNING AUDIT COMMITTEE SELF-EVALUATION.**

\*\*\*\*\*

**The next item on the agenda was a resolution accepting the Sixth Annual Self Evaluation by the Governance Committees.** Chairman Mulrow stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

Chairman Mulrow moved to adopt the resolution; Mr. Mulholland 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 CONCERNING SELF-EVALUATION.**

\*\*\*\*\*

**The next item on the agenda was a resolution authorizing the approval of the Quarterly Bond Sale Report.** Chairman Mulrow stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

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

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND THE STATE OF NEW YORK MORTGAGE AGENCY, APPROVING THE AGENCIES' BOND SALE REPORT.**

\*\*\*\*\*

**The next item on the agenda was a resolution authorizing the approval of the revised and consolidated MWBE Master Goal Plan of the Agencies.** Chairman Mulrow stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item. Ms. Rogatz commended the staff for its achievements made toward greater opportunities in the Minority and Women Owned Business Enterprise Program (MWBE).

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

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, NEW YORK STATE AFFORDABLE HOUSING CORPORATION, STATE OF NEW YORK MORTGAGE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AND THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING REVISED AND CONSOLIDATED EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION 2012-2013 MASTER GOAL PLAN.**

\*\*\*\*\*

**The next item on the agenda was a resolution authorizing the approval of information technology contracts with Application Oriented Designs, Inc. and review of various related contractual agreements and expenditures.** Chairman Mulrow stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion concerning this item.

\*\*\*\*\*

**The next item on the agenda was a resolution authorizing the approval to enter into Purchase Order Contracts with information technology consultant services.** Chairman Mulrow stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion regarding this item.

Chairman Mulrow moved to adopt the resolution; Mr. Mulholland 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 THE ENTERING INTO OF PURCHASE ORDER CONTRACTS WITH INFOPEOPLE CORPORATION, UNIVERSAL TECHNOLOGIES, AND SYSTEMS APPLICATION INFORMATION NETWORK FOR INFORMATION TECHNOLOGY RELATED SERVICES.**

\*\*\*\*\*

**The next item on the agenda was an information item regarding review of Quarterly Investment Reports of the Agencies.** Chairman Mulrow stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion or action regarding this item.

\*\*\*\*\*

**The next item on the agenda was an information item regarding review of the First Quarterly Procurement Report of the Agencies for Fiscal Year ending January 31, 2012.** Chairman Mulrow stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion or action regarding this item.

\*\*\*\*\*

**The next item on the agenda was an information item regarding the Financial Statement Update for the First Quarter Fiscal 2012 (November 1, 2011 through January 31, 2012) and Third Quarter Fiscal 2011 for AHC).** Chairman Mulrow stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion or action regarding this item.

\*\*\*\*\*

**The next item on the agenda was an information item regarding updated Financial Plans and the Administrative Budget Report of the Agencies' expenses for the first three months of fiscal 2012 (November 1, 2011 to January 31, 2012) and for nine months ended December 31, 2011 for AHC.** Chairman Mulrow stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion or action regarding this item.

\*\*\*\*\*

**The next item on the agenda was an information item regarding the annual review of contracts with Hawkins, Delafield & Wood LLP and Bond Logistix LLC for arbitrage rebate services.** Chairman Mulrow stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion or action regarding this item.

\*\*\*\*\*

**The next item on the agenda was an information item regarding an interim report of the Agencies' leases for offices in Manhattan, Buffalo and Albany.** Chairman Mulrow stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. There was no discussion or action regarding this item.

\*\*\*\*\*

**The next item on the agenda was a resolution authorizing the approval of Manufactured Home Cooperative Fund Capital Improvement Loan not to exceed \$250,000 for Hidden Brook Estates Manufactured Home Park.** Ms. Zucker stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. She stated that the Agency was requesting a minor increase to the existing loan in order to replace an access bridge to the site, and that the loan will be extended for 10 years. She stated that the borrowers have shown excellent repayment performance.

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

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING A LOAN UNDER THE MANUFACTURED HOME COOPERATIVE FUND PROGRAM IN CONNECTION WITH THE HIDDEN BROOK ESTATES MANUFACTURED HOME PARK.**

\*\*\*\*\*

**The next item on the agenda was a resolution authorizing the approval of certain matters in connection with amending Resolutions related to the financing of the Gotham West Project, New York, New York.** Ms. Zucker stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. She stated that since the the Agency closed on this transaction, legislation authorizing the Agency to finance projects through unrated private placements has been enacted, and the borrower has requested that the Agency layer in those additional provisions which are being incorporated into other Agency transactions on a going-forward basis. She stated that this project is again before the Board to request changes to the issued 2011 Bond Resolution, which changes would become effective in the 2012 and 2013 bonds as they become issued.

Vice Chairman Weiss asked what the benefit or need was to approving this request now. Ms. Zucker stated that it will be easier and more cost-effective to layer in additional provisions to the existing documents now, rather than do a full refunding of the bonds at the end of the construction period in order to incorporate the new provisions. Chairman Mulrow asked if this matter was discussed with bond counsel, and Ms. Zucker confirmed that it was.

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

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING AND APPROVING CERTAIN MATTERS IN CONNECTION WITH AMENDING RESOLUTIONS RELATING TO THE**

**FINANCING OF THE PROJECT KNOWN AS GOTHAM WEST APARTMENTS.**

\*\*\*\*\*

**The next item on the agenda was a resolution authorizing the issuance of additional taxable bonds for the Archstone Meadowbrook Crossing Project.** Mr. Zucker stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. She stated that the requested additional \$7.2 million was to reimburse the borrower for the cost of mold remediation and other rehabilitation and related expenses.

Mr. Mulholland commended the borrower for the responsible way it handled all facets of the remediation, for the care and relocation of its tenants, and for using its own equity in order to fund the additional rehabilitation and remediation.

Chairman Mulrow moved to adopt the resolution; Mr. Mulholland 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 ARCHSTONE MEADOWBROOK CROSSING.**

\*\*\*\*\*

**The next item on the agenda was a resolution authorizing the approval of the Agency's contracts with technical assistance providers known as McCormick Management Consulting, PathStone Corporation, Inhouse Corporation and Long Island Housing Partnerhsip.** Mr. Valella stated that information regarding this item was contained in the materials provided in connection therewith, which materials are incorporated herein by reference. He asked if there were any questions or comments, and there were none.

Chairman Mulrow moved to adopt the resolutions; Mr. Mulholland seconded the motion, and the following list of resolutions was adopted unanimously:

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY APPROVING THE RETENTION OF FIRMS ON THE PRE-QUALIFIED PANEL TO PROVIDE TECHNICAL AND ASSISTANCE CONSULTANT SERVICES.**

\*\*\*\*\*

**The next item on the agenda was a resolution authorizing the annual review and approval of contracts with firms on the Agency's prequalified Panel of Appraisal/Market Study Consultants.** Mr. Valella stated that information regarding this item was contained in the materials provided in connection therewith, which materials are

incorporated herein by reference. He asked if there were any questions or comments, and there were none.

Chairman Mulrow moved to adopt the resolutions; Mr. Mulholland seconded the motion, and the following resolution was adopted unanimously:

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY APPROVING THE ENTERING INTO OF CONTRACTS WITH FIRMS ON THE AGENCY'S PREQUALIFIED APPRAISAL AND MARKET STUDY CONSULTANT PANEL.**

\*\*\*\*\*

**The next item on the agenda was an information item regarding the annual review of the contract with Insurance Advisor, LLP for insurance consulting services.** Mr. Valella stated that certain information was contained in the materials provided in connection with this item, which materials are incorporated herein by reference. Chairman Mulrow stated that no discussion was needed, and no action was required.

\*\*\*\*\*

**The next item on the agenda was an information item regarding the HFA/FHA Risk-Sharing Program ("RSP").** Ms. Zucker stated that certain information was contained in the materials provided in connection with this item, which materials are incorporated herein by reference. She stated that the Agency plans to reinstate its participation in the RSP, by which HUD provides mortgage credit enhancement in the form of an FHA insurance policy that covers 100% of a claim in the event of a default with HFA. She stated that this program would add to the range of credit enhancement options available to accommodate developers who provide affordable housing to New York State residents.

Chairman Mulrow asked Ms. Bayer for her historical perspective comments. Ms. Bayer expressed her enthusiasm about the Agency being able to utilize the RSP for additional reserves.

\*\*\*\*\*

There being no unfinished business, Chairman Mulrow moved to adjourn; Mr. Mulholland seconded the motion, and the meeting was adjourned at 3:00 P.M.

  
\_\_\_\_\_  
Secretary