

**MINUTES OF THE
450TH MEMBERS MEETING OF
THE NEW YORK STATE HOUSING FINANCE AGENCY
HELD ON SEPTEMBER 12, 2013 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
Thomas H. Mattox	Member
Joyce L. Miller	Member
Nestor M. Davidson	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.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary. He noted that Renee Nowicki from New York State Division of the Budget ("NYS Division of Budget") and Aida Brewer from New York State Department of Taxation were participating in the meeting via video conference from the NYS Division of Budget conference center at the Capitol Building Room 131 in Albany. A public notice was given of the time and location of this venue in accordance with the New York State Open Meetings Law.

Ms. Naomi Bayer, Ms. Rogatz and Mr. Bergamo, SONYMA Directors; Mr. Kenneth M. Bialo; and Linda M. Baldwin, MBBA/TSFC Members and Directors; and Ms. Aida Brewer Deputy Commissioner and Treasurer, New York State Department of Taxation and Finance attended this meeting as guests.

Mr. Valella asked for motions and seconds to call to order the Members and Directors meetings of the HFA, AHC, SONYMA, MBBA and TSFC respectively. Mr. Davidson moved to call the HFA and AHC meetings to order; Ms. Miller seconded the motion. Ms. Rogatz moved to call the SONYMA meeting to order, Ms. Bayer seconded the motion. Ms. Baldwin moved to call the MBBA meeting to order; Mr. Bialo seconded the motion. Ms. Baldwin moved to call the

TSFC meeting to order; Mr. Bialo seconded the motion.

Mr. Valella stated that as items are 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 Agencies.

The first item on the agenda was the President's Report. Chairman Mulrow requested that Darryl C. Towns, President/CEO of the Agencies, present his report. Commissioner Towns greeted everyone. He reported that as the summer concludes, the agencies continue to complete transactions at a rapid pace noting that a record number of deals are expected to close. He reported that the HFA Board will be asked to consider approval of four (4) projects including two authorizations for financing in Brooklyn, NY consisting of \$80 Million Dollars in bonds, one of which is a new construction of 254 units located on 626 Flatbush Avenue; the second is an acquisition and rehabilitation of a six-story, 56-unit apartment building located at 197-201 Roebling Street in the Williamsburg section of Brooklyn which has been set aside for seniors. He then reported that also, for the Board's consideration and approval was a request for authorization of awards of grant funds totaling two million dollars for Affordable Housing Corporation projects consisting of new construction, rehabilitation, and improvement of an estimated ninety-three (93) units of which eighty (80) units are allocable to projects located outside New York City; thirteen (13) units are located in Queens and Staten Island, NY.

Commissioner Towns also asked the Board to consider various administrative items including the Agency's budget and financial plan for Fiscal Year 2014 along with revisions to the agency's procurement contract guidelines.

Commissioner Towns announced that an update on the financial status of one of the Agency's important business partners, The Community Preservation Corporation, is expected to make a presentation regarding the Current financial Status for SONYMA. Also, he announced that the Board can expect to get an update from Mr. Matthew L. Nelson, President of Housing & Community Renewal's Office of Community Renewal, on the agency's activities as it relates to the storms for the last few years.

Commissioner Towns then announced the appointment of two new Executives. He reported that Mr. Jason C. Kim will become Senior Vice President and Counsel to the Agencies and Ms. Sharon D. Devine will become the Agencies' President of the Office of Professional Services and Senior Vice President. He stated that both individuals are tremendous professionals.

He welcomed Linda M. Baldwin, who will be representing Cesar A. Perales, Secretary of State on the MBBA/TSFC Boards.

Lastly, he reported that staff continues to work on issues with the Governor's Regional Economic Development's office on TFC reform. He also reported that the agency continues to plan for the upcoming legislative session in Albany as it continues to close out what is going to be a "banner" year.

Chairman Mulrow welcomed Ms. Baldwin as well.

The next item on the Agenda was the report of the Audit Committees.

- Mr. Valella reported that the Audit Committees held meetings on Tuesday, September 10, 2013 and took the following actions:
- All five Committees adopted Minutes
- All five Agencies adopted a resolution approving revisions to Internal Audit Work Plan for Fiscal Year 2014.
- All five Agencies adopted a resolution recommending the approval of Administrative Budget Request & Financial Plans for FY2014.
- All five agencies received a presentation/discussion by Ernst & Young (Independent Auditors).
- All five agencies reviewed Financial Statement Update 3rd Quarter Fiscal 2013 (HFA/SONYMA/MBBA/TSFC) and 1st Quarter Fiscal 2014 (AHC).
- All five Agencies reviewed reports of administrative budget expenditures for the nine months ending July 31, 2013 and updated financial plans.

The next agenda item was the report of the Governance Committees. Mr. Valella reported that the Governance Committees also held meetings on Tuesday, September 10, 2013 and took the following actions:

- All five Committees adopted Minutes
- All five agencies adopted a resolution recommending approval to revise the Agencies' Procurement and Contract Guidelines.
- All five agencies approved the entering into a contract with law firms to provide legal services to HFA in its role as lender to the recently acquired loan portfolio and authorization to enter into contracts with law firms recently added to the non-bond counsel pane.
- HFA approved a contract with SS&C Technologies for the provision of a license for cash flow analysis services and SONYMA approved the financial printing services contracts with Image Master LLC.
- HFA and SONYMA approved financial reporting services contract with Bloomberg LLP and approved SONYMA Custody Services Agreement with the Bank of New York Mellon.

- HFA approved to extend the insurance consultant contract with Insurance Advisors LLC and initial approval to enter into an insurance consultant contract with Sullivan-Hernandez Agency, Inc., a MWBE.
- All five agencies reviewed report to Governance Committee of the selection of the Agencies by ESD for an MWBE Document Audit Review.

The next item on the Agenda was the adoption of the minutes of the 449th HFA Members meeting held on August 14, 2013. Absent comments or corrections from the Members, Mr. Valella reported that the minutes were deemed approved.

Next item on the agenda was a resolution authorizing the approval to appoint C. Jason Kim as Senior Vice President and Counsel of the Agencies. Commissioner Towns announced that Mr. C. Jason Kim comes to the agency most recently from Skadden, Arps, Slate, Meagher & Flom LLP and has a “growing legal portfolio” including dealings with international affairs. He reported that Mr. Kim will be taking the helm as “our leader” during a critical time for the agencies and expressed excitement in having him. Chairman Mulrow echoed Commissioner Towns’ comments. Mr. Kim was acknowledged.

Mr. Valella then asked the Members to adopt the resolution authorizing the approval appointing Mr. Kim as Senior Vice President and Counsel to the agencies.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AFFORDABLE HOUSING CORPORATION, TOBACCO SETTLEMENT FINANCING CORPORATION AND STATE OF NEW YORK MORTGAGE AGENCY APPOINTING C. JASON KIM AS SENIOR VICE PRESIDENT AND COUNSEL

The next item on the Agenda was a resolution authorizing the approval to appoint Sharon D. Devine as the Agencies’ President of the Office of Professional Services and Senior Vice President.

Commissioner Towns reported on the excitement of growing “one of our own from within” the organization. He reported that Ms. Sharon Devine has a growing portfolio in her expertise, especially in the area of budget. Additionally, she is a tremendous administrator. Ms. Devine was acknowledged.

Mr. Valella then asked the Members to adopt the resolution appointing Ms. Devine as Senior Vice President, with the title of President, Office of Professional Services.

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

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY, STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY, AFFORDABLE HOUSING CORPORATION, TOBACCO SETTLEMENT FINANCING CORPORATION AND STATE OF NEW YORK MORTGAGE AGENCY APPOINTING SHARON D. DEVINE AS SENIOR VICE PRESIDENT, WITH THE TITLE OF PRESIDENT, OFFICE OF PROFESSIONAL SERVICES

Chairman Mulrow then directed the Members' attention to the Shared Consent Items 4, 5, 6, and 7 on the Agenda and stated that information regarding these items were contained in the meeting materials provided which are incorporated herein by reference. There was no discussion on these items.

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

Resolution approving Administrative Budget Request & Financial Plans for FY2014:

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, 2013 TO OCTOBER 31, 2014 AND FINANCIAL PLANS FOR FISCAL YEARS 2014, 2015, 2016 AND 2017 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 2015, 2016, 2017 AND 2018, 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 2014

Resolution approving Investment Reports:

A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY THE STATE OF NEW YORK MORTGAGE AGENCY THE NEW YORK STATE AFFORDABLE HOUSING CORPORATION THE STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY AND THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING QUARTERLY REPORTS OF

INVESTMENTS

Resolution approving Agencies' Quarterly Bond Sale Reports for the period ending April 20th, 2013 and July 31, 2013.**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY APPROVING THE AGENCIES' BOND SALE REPORTS**

Resolution approving revisions to the Agencies' Procurement and Contract Guidelines.**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 APPROVING AND ADOPTING UPDATED PROCUREMENT AND CONTRACT GUIDELINES**

There was one vote against the second proposed change to the procurement and contract guidelines (Item # 7 on the Agenda) made by MBBA/TSFC Vice-Chairman, Mr. Keneth M. Bialo.

Mr. Davidson raised a question about the deficit and whether it signifies something the Board should be concerned about. Ms. Robinson explained that some of the deficits are based on the fact that conduit debt is not included in the financial plan and other deficits are due to timing issues. Mr. Davidson also questioned the projected amount for the current year totaling \$19.2 Million Dollars and only \$25 Million Dollars for the next four years. Mr. Gary Weinstock, Vice President/Comptroller explained that the money that's accumulated in prior years is included in the subsidy loan which is listed as an expense and not an overall deficit. Ms. Miller noted that the revenues are substantially decreased in 2014. Mr. Weinstock explained that the revenues decrease because the mortgage origination fees are related to deals and it's difficult to make long-term projections. A follow-up question was asked related to the percentage the agency was paying. Mr. Weinstock answered that it is a very small percentage -- less than 3% total. Ms. Miller noted the number of staff positions totaling 208. She inquired about whether that number was representative of the total number of staff for all of the agencies. Ms. Robinson explained that the total staff positions listed represents a targeted goal; the number of staff members is actually lower and did not increase but decreased with the Mitchell-Lama portfolio. Ms. Miller expressed surprise given the enormous amount of responsibilities. Chairman Mulrow stated that the agency has been overburdened in a number of areas but hopes to fill some of the vacancies. Commissioner Towns further explained that the agency is charged with huge tasks and

responsibilities and there have been discussions about raises in the Committee meetings. He commented that the fact that Board members appreciate and recognize the efforts of staff members is significant. One Board member asked if there was anything that could be done to supply additional support in this area of hiring, etc. especially since members of the Board have a fiduciary responsibility to be of assistance. It was noted that the Governor's offices have been completely responsive to the needs of the agency and that the issue is timing.

Chairman Mulrow stated that the next three (3) items on the agenda were information items concerning:

- a. **Review of the Agencies' Quarterly Procurement Report for the period ending July 31, 2013.**
- b. **Financial Statement Update 3rd Quarter Fiscal 2013 for HFA/SONYMA/MBBA/TSFC and 1st Quarter Fiscal 2014 for AHC.**
- c. **Report of administrative budget expenditures for the nine months ending July 31, 2013 and updated financial plans.**

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

The next item on the agenda were resolutions authorizing financing approval in an amount not to exceed \$72,000,000 for 626 Flatbush Avenue Apartments located in Kings County. Marian Zucker, President, Finance and Development presented Mr. Leonard Gruenfeld, Project Manager. Mr. Gruenfeld highlighted certain information contained in the materials provided to the Members in connection with this item, which are incorporated herein by reference. He reported that this investment funds the new construction of 254 units of which 51 units are set aside for affordable households. He stated that the project includes approximately 4,800 square feet of retail space. He said that additionally, the project will consist of 93 studios, 70 one-bedroom, 56 two-bedroom and 35 three-bedroom units. Mr. Gruenfeld further reported that amenities for use by the residents will include a fitness center, community gardens, community rooms and a parking and bicycle storage which will be available to the residents for an additional charge. He noted that the project is within a short walk to subway lines and that the location will afford the residents the advantage of cultural and educational opportunities. Mr. Gruenfeld stated that the total development costs approximately \$72 Million in estimated tax-exempt and/or taxable bonds consisting of \$61 Million Dollars of tax-exempt bonds and slightly less than \$11 Million in taxable bonds. He noted that New York State Energy Research and Development Authority will fund the subordinate mortgage loan under the agency's 80/20 Private Placement Program. He also noted that the managing member of the Borrower, Hudson Catamount Flatbush LLC, is controlled by the principals of The Hudson Companies and the architect for the project will be Rogers Marvel Architects, PLLC.

Considering the first and second motions previously entered for HFA, the motions were carried, 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 626 FLATBUSH AVENUE APARTMENTS

A RESOLUTION AUTHORIZING THE ISSUANCE OF 626 FLATBUSH AVENUE APARTMENTS HOUSING REVENUE BONDS

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 626 FLATBUSH AVENUE APARTMENTS HOUSING REVENUE BONDS, 2013 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$72,000,000

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 626 FLATBUSH AVENUE APARTMENTS HOUSING REVENUE BONDS, 2013 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$72,000,000

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 626 FLATBUSH AVENUE APARTMENTS HOUSING REVENUE BONDS, 2014 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$72,000,000

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 626 FLATBUSH AVENUE APARTMENTS HOUSING REVENUE BONDS, 2014 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$72,000,000

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 626 FLATBUSH AVENUE APARTMENTS HOUSING REVENUE BONDS, 2015 SERIES A, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$72,000,000

A SERIES RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF 626 FLATBUSH AVENUE APARTMENTS HOUSING REVENUE BONDS, 2015 SERIES B, IN A PRINCIPAL AMOUNT NOT EXCEEDING \$72,000,000

The next item on the agenda were resolutions authorizing financing approval in an amount not to exceed \$7,200,000 for Los Sures Housing for the Elderly, located at 201 Roebbling Street, Kings County. Marian Zucker, President, Finance and Development presented Ms. Gail Bressler who handles multifamily finance to present this item to the Members. Ms. Bressler stated that the project consists of the acquisition and rehabilitation of

fifty-five (55) revenue-generating units which will be set aside for senior households; she noted that the property was built in 1910, rehabbed in the 1990s and is in need of major work. She reported that there is a project-based Section 8 Housing Assistance Payment contract for 100% of the units. She stated that Southside United Housing Development Fund Corporation, a community-based organization, is the borrower. She also stated that the masonry work includes restoring thirty percent (30%) of the exterior walls and the exterior fire escapes. Ms. Bressler noted that during the construction period, JP Morgan Chase Bank, N.A. will provide the letter of credit. She also noted that there are some non-material dollar issues which were discussed at the MIC meeting and will be resolved before closing.

Considering the first and second motions previously entered for HFA, the motions were carried, 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 LOS SURES HOUSING FOR THE ELDERLY APARTMENTS PROJECT

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2013 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$7,200,000

The next item on the agenda was a resolution approving substitution of Credit Enhancement Facility for Clinton Park I. Ms. Zucker highlighted certain information contained in the materials provided to the Members in connection with this item, which are incorporated herein by reference. Ms. Zucker stated that the agency issued bonds to fund Clinton Park. She explained that the project is moving forward from a letter of credit status (construction financing) to that of a Freddie Mac backed enhancement (permanent financing). She noted that this transaction is fairly straightforward.

Mr. Weiss asked if going forward these types of substitutions can be included when deals are closed by incorporation into the bond resolutions. Ms. Zucker noted that the agency has this discretion for the new deals.

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

THE 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 CLINTON PARK APARTMENTS

The next item on the agenda was a resolution approving the amendment of HFA's Guidelines for the uses of certain Financial Hedges Guidelines. Ms. Robinson, Senior Vice President and Chief Financial Officer reported that she brings before the Board a request to amend the HFA guidelines and said that a similar approval was granted for SONYMA in July 2013. She stated that these changes are similar changes for state-supported debt required by and in relation to required information and provisions dealing with SWAP advisors.

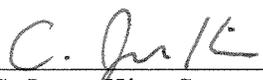
Mr. Davison noticed that in two places, a particular vendor was identified. It was explained by Ms. Robinson that the state supported SWAPS have their own specific SWAP advisor in place and that these hedges are only for transactions that are being done on behalf of the State.

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 HOUSING FINANCE AGENCY
APPROVING AN AMENDMENT TO THE GUIDELINES FOR INTEREST
RATE EXCHANGE AGREEMENTS**

There being no unfinished business, Chairman Mulrow asked for a motion to adjourn the meeting. Mr. Davidson moved to adjourn; Ms. Miller seconded the motion, and the meeting was adjourned at 10:25a.m.

Mr. Valella reminded the members to be mindful of the upcoming ethics training dates. He noted that the next Board meeting was scheduled for Thursday, October 10, 2013 at 8:30 a.m.



C. Jason Kim, Secretary