

**MINUTES OF THE 440TH MEMBERS MEETING OF THE
NEW YORK STATE HOUSING FINANCE AGENCY
HELD ON SEPTEMBER 13, 2012 AT 9:31 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	Commissioner, Department of Taxation and Finance, Member
Renee Nowicki	Division of the Budget, representing Robert Megna, Member (via video conference)
Darryl C. Towns	Member

Chairman William J. Mulrow, opened and chaired the meetings. He noted that Renee Nowicki 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.

Aida Brewer, Deputy Commissioner and Treasurer, New York State Department of Taxation and Finance, attended the meeting in her role as representative of the Commissioner of Taxation and Finance.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary and asked for motions and seconds to call to order the Members and Directors meetings of the New York State Housing Finance Agency ("HFA"), State of New York Mortgage Agency ("SONYMA"), New York State Affordable Housing Corporation ("AHC"), State of New York Municipal Bond Bank Agency ("MBBA") and Tobacco Settlement Financing Corporation ("TSFC"). Vice Chairman Steven J. Weiss moved to call the HFA meeting to order; Chairman Mulrow seconded the motion. Vice Chairman Weiss moved to call the AHC meeting to order; Chairman Mulrow seconded the motion. Mr. Bergamo moved to call the SONYMA meeting to order; Mr. Lebowitz seconded the motion. Vice Chairman Kenneth M. Bialo moved to call the MBBA meeting to order; Ms. Susan L. Watson seconded the motion. Ms. Watson moved to call the TSFC meeting to order; Vice Chairman Bialo seconded the motion.

Mr. Valella 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. Mr. Towns reported that the Agencies have been hard at work all summer and highlighted some activities. He reported that HFA is scheduled to close approximately 15 multi-family deals by year's end, and is also poised to implement the Governor's New York State Medicaid Redesign Team – a housing initiative to add new capital to existing supportive-housing deals. He added that AHC plans to present a unique home-ownership project within an 80/20 project, in cooperation with the New York City Department of Housing Preservation and Development (HPD) and the New York City Housing Development Corporation (HDC). He reported that SONYMA's demand is picking up with August mortgage reservations averaging about \$1.7 million per day. He reported that the launch of a new product would occur in October called the SONYMA Conventional Plus program. He reported that the Governor's Regional Councils are headed for a second round, but AHC's programs will not be involved in this year's funding cycle.

Chairman Mulrow thanked Mr. Towns, and next requested that Mr. Valella recite the reports of the Committees.

The next item was the report of the Audit Committees. Mr. Valella reported that the Audit Committees held meetings on September 11th and approved the minutes of the June 12, 2012 meetings; adopted a resolution recommending approval of the Fiscal Year 2013 Administrative Budget and Financial Plans; reviewed the Independent Auditor's presentation relating to the 2012 Financial Statement Audit Plan; reviewed the Financial Statement Update 3rd Quarter Fiscal Year 2012 for HFA, SONYMA, MBBA and TSFC, and the 1st Quarter of Fiscal Year 2013 for AHC; and reviewed the Report of Administrative Budget Expenditures for the nine months ending July 31, 2012 and updated Financial Plans.

The next item was the report of the Governance Committees. Mr. Valella reported that the Governance Committees held meetings on September 11th and approved the minutes of the June 12, 2012 meetings; approved a resolution approving the continued retention of the Financial Reporting Services Agreement with Bloomberg L.P. for HFA and SONYMA; approved a resolution approving the continued retention of financial printing services contracts with ImageMaster, Inc. for HFA, SONYMA, MBBA and TSFC; approved a resolution approving the continued retention of co-bond counsel services agreement with firms on the Agencies' prequalified panel for HFA, SONYMA, MBBA and TSFC; reviewed the MWBE Initiative and Progress Report; approved a resolution authorizing the continuation of the contract with SS&C Technologies, Inc. for the provision of a license for cash flow analysis software for

HFA; approved contracts with firms on the Agency's prequalified panel for physical needs assessment services, construction monitoring services and Davis Bacon monitoring services for HFA; approved a resolution reviewing and approving the continued retention of the Master Servicer contract with M&T Bank for SONYMA; reviewed the contracts with CompuGain LLC and Iron Mountain Intellectual Property Management, Inc., and approved a resolution authorizing the approval to extend the contract with TF&G Consulting for SONYMA; approved a resolution approving the continued retention of Bank of New York Mellon for custody services for SONYMA; and reviewed the investment manager contract with Deutsche Investment Management Inc. for SONYMA.

The next item on the agenda was the adoption of the minutes of the 439th HFA Members meeting held on July 12, 2012. Absent comments or corrections from the Members, Mr. Valella reported that the minutes were deemed approved.

The next item on the agenda was a resolution adopting the Fiscal Year 2013 Administrative Budget and each Agency's Financial Plan. Mr. Valella stated that the proposed Administrative Budget and the Financial Plans were discussed in detail at the September 11th Audit Committee Meetings, and this item was now before the Board Members and Directors for approval. There was no further discussion.

Vice Chairman Weiss moved to adopt the resolution; Chairman Mulrow 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 ADOPTING AN ADMINISTRATIVE BUDGET FOR FISCAL YEAR NOVEMBER 1, 2012 TO OCTOBER 31, 2013

AND

FINANCIAL PLANS FOR FISCAL YEARS 2013, 2014, 2015 AND 2016 WITH RESPECT TO TO 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 2014, 2015, 2016 AND 2017

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 2013.

The next item on the agenda was a resolution approving quarterly Bond Sale Reports for the period May 1, 2012 through July 31, 2012. Mr. Valella stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion.

Vice Chairman Weiss moved to adopt the resolution; Chairman Mulrow 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 AGENCIES' BOND SALE REPORT.

The next item on the agenda was an information item concerning the quarterly Administrative Budget Report as of July 31, 2012 and updated Financial Plans. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion.

The next item on the agenda was an information item concerning review of the Quarterly Investment Reports for the quarter ending July 31, 2012. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion.

The next item on the agenda was an information item concerning review of the Financial Statement Update 3rd Quarter of Fiscal Year 2012 for HFA, SONYMA, MBBA and TSFC, and the 1st Quarter of Fiscal Year 2013 for AHC. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion.

The next item on the agenda was an information item concerning review of the Agencies' Third Quarterly Procurement Report for the period ending July 31, 2012 for Fiscal Year 2011-212. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference. There was no discussion.

The next item on the agenda were resolutions authorizing the financing in an amount not to exceed \$23,100,000 for Mariner Apartments, 186 Efner Street, City of Buffalo, Erie County. Thomas Martin, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the meeting materials provided to the Members in connection with this item, which are incorporated herein by reference. He stated that the project

consists of the acquisition and rehabilitation of a 292-unit housing complex, of which 290 units have an existing Section 8, HUD Housing Assistance Payment (HAP) contract. He stated that 99% of the revenue-generating units will be for tenants with incomes at or below 60% of the Buffalo-Niagara Falls area median income ("AMI"). He stated that the borrower was Liberty Affordable Housing, Inc., the credit enhancer was NBT Bank and the credit investor was Raymond James Tax Credit Funds. He stated that there will be a Payment in Lieu of Taxes (PILOT) Agreement from the City of Buffalo for a 32-year period which was approved by City Council within the past few days. Mr. Martin stated that this project was contingent upon the Borrower obtaining expected funds from the Federal Home Loan Bank which have not yet been awarded.

Vice Chairman Weiss noted that he was from the project area, and that many improvements in that area tie into this great, much-needed project.

Chairman Mulrow moved to adopt the resolutions; Vice Chairman Weiss 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 MARINER APARTMENTS.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2012 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$23,100,000.

The next item on the agenda were resolutions authorizing financing in an amount not to exceed \$15,180,000 for Bridleside Apartments, 256-258 June Road, Town of North Salem, Westchester County. Ms. Marian Zucker, President, Office of Finance & Development, stated that this new construction project will help Westchester meet the federal fair-housing court settlement requirement to provide integrated affordable housing throughout the county. Leonard Gruenfeld, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the meeting materials provided in connection with this item which are incorporated herein by reference. He stated that this project consists of 65 affordable housing units, with 64 units set aside for tenants with incomes at or below 60% of the AMI for the Westchester County Statutory Requirement, and 13 units set aside for tenants with incomes at or below 50% of the AMI. He stated that the experienced affordable-housing developers were Wilder Balter Partners and the Housing Action Council, and that the credit enhancer for the bonds during the construction period would be The Bank of New York, N.A. He stated that the project's total development cost approximates \$28.2 million.

Vice Chairman Weiss recused himself from voting on this project.

Chairman Mulrow moved to adopt the resolutions; Mr. Mattox seconded the motion, and the following resolutions were adopted:

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 BRIDLESIDE APARTMENTS.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2012 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$15,180,000.

The next item on the agenda were resolutions authorizing financing in an amount not to exceed \$12,300,000 for Creston Avenue Residence, 2382-2388 Creston Avenue in Bronx County. Ms. Zucker stated that this new construction project will contain both supportive and low-income housing units. She stated that earlier this year, the Governor assembled the New York State Medicaid Redesign Team (MRT), geared toward lowering the State's Medicaid costs and moving tenants from supportive housing facilities into more mainstream living environments. She stated that \$25 million of MRT funds went to NYS Homes and Community Renewal (HCR), and \$2.625 million was awarded to this project.

David Simmons, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the meeting materials provided to the Members in connection with this item, which are incorporated herein by reference. He stated that this project will have 66 housing units, of which 65 will be set aside for households with incomes at or below 60% of the AMI for Bronx County. He stated that 21 studio units will be set aside for persons with special needs, 24 units will be set aside for disabled veterans, and the remaining 20 units will be set aside for tenants with incomes at or below 60% of the AMI. He stated that the credit enhancer for the bonds during the construction period would be J.P.Morgan Chase Bank, and that the project's total development cost approximates \$28 million. He stated that the owner-borrower would be controlled by The Housing Collaborative LLC and Volunteers of America-Greater New York.

Vice Chairman Weiss recused himself from voting on this project.

Chairman Mulrow moved to adopt the resolutions; Mr. Mattox seconded the motion, and the following resolutions were adopted:

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 CRESTON AVENUE RESIDENCE.

--A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2012 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$12,300,000.

The next item on the agenda were resolutions authorizing financing in an amount not to exceed \$10,230,000 for Colonial Square Apartments I and II (a/k/a Highland Apts. & Holland Apts.), located at 200 Virginia Lane and 100 Charles Lane, City of Amsterdam, Montgomery County. Thomas Martin, a project underwriter in the Multi-Family Finance Unit, highlighted certain information contained in the meeting materials provided to the Members in connection with this item, which are incorporated herein by reference. He stated that the project, which consists of two projects, will finance the acquisition and rehabilitation of 18 adjacent townhouses which contain 200 units of affordable multi-family housing, and will be combined into Colonial Square Apartments I and II. He stated that about 50% of each project has a Section 8 project-based HAP contract which will be assigned to the new borrower, Liberty Affordable Housing Inc., upon refinancing. He stated that 100% of the units will be affordable to tenants with incomes at or below 60% of the AMI. He stated that the credit enhancer for the bonds during the construction period would be U.S. Bank N.A. on behalf of NBT Bank N.A., and that the project's total development cost approximates \$16.7 million. He stated that a 32-year PILOT Agreement was expected from the City of Amsterdam.

Vice Chairman Weiss asked why Amsterdam's low-income housing tax credit cost of \$.91 per tax credit was lower than the tax credit cost of the Buffalo project. Mr. Martin responded that it was originally at \$.93 about two months ago, but he did not know why Raymond James Tax Credit Funds, Inc. recently lowered it. Gail Bressler, Vice President of Multi-Family Housing, stated that pricing of tax credits seems to be dropping Upstate.

Vice Chairman Weiss moved to adopt the resolutions; Chairman Mulrow 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 COLONIAL SQUARE APARTMENTS I & II.

A SUPPLEMENTAL RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE AGENCY AUTHORIZING THE ISSUANCE OF AFFORDABLE HOUSING REVENUE BONDS, 2012 SERIES _ IN A PRINCIPAL AMOUNT NOT EXCEEDING \$10,230,000.

Chairman Mulrow next acknowledged the resignation of Board Member, Royce A. Mulholland. He stated that Mr. Mulholland provided great service and admirably served on the Board.

Chairman Mulrow asked for a motion and a second to adjourn the HFA meeting. There being no unfinished business, Chairman Mulrow moved to adjourn; Vice Chairperson Weiss seconded the motion, and the meeting was adjourned at 10:21 A.M.



Alejandro J. Valella, Acting Secretary