MINUTES OF THE
88TH DIRECTORS MEETING OF THE
STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY
HELD ON APRIL 11, 2013 AT 9:32 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022

DIRECTORS AND DESIGNEES

PRESENT:

William J. Mulrow	Chairman
Kenneth M. Bialo	Vice Chairman
Susan L. Watson	Secretary of State, representing Cesar A. Perales, Director
Elaine McCann	Division of the Budget, representing Robert Megan, Director (joined the meeting at 9:00 a.m. via video Conference)

ABSENT:

Naomi Bayer	Director
Andrew A. SanFilippo	Director

Chairman William J. Mulrow opened and chaired the meetings. He turned over the meetings to Acting Secretary, Alejandro J. Valella.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary and stated that he would be keeping the minutes of the meeting. Mr. Valella noted that Joseph Palozzola, Vice President for Intergovernmental Relations would be assisting him at the meetings.

Mr. Palozzola noted that Elaine McCann, representing Robert Megna, Budget Director was participating in the meetings by video conference from the New York State Division of Budget conference center at the Capitol Building, Room 131, in Albany

Thomas H. Mattox, HFA/AHC Member attended this meeting as a guest.

Mr. Palozzola asked for motions and seconds to call to order the April 11, 2013 Members and Directors meetings of the State of New York Municipal Bond Bank Agency ("MBBA") and

Tobacco Settlement Financing Corporation ("TSFC"). Vice Chairman Kenneth Bialo moved to call the MBBA meeting to order; Ms. Susan Watson seconded the motion. Vice Chairman Bialo moved to call the TSFC meeting to order; Ms. Susan Watson seconded the motion.

Mr. Palozzola 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.

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The first item on the agenda was the President's Report. Commissioner Darryl Towns stated that it has been a busy first quarter in the housing business in New York State. He stated that Governor Cuomo, for a third year in a row, delivered an on-time budget and housing was featured prominently in it. He informed the board that the centerpiece of the Governor's housing initiative was the transfer of the remaining 44 Mitchell-Lama projects in the ESDC portfolio to HFA. He stated that the Agency expects to fund the recapitalization and rehabilitation of up to 35 of those projects. Commissioner Towns stated that the remaining nine projects, based on the Agencies' analysis, do not currently require assistance. He stated that those 35 projects represent 10,425 units of affordable housing located throughout the state with concentrations in New York City, the Mid-Hudson Valley, Western New York and the Finger Lakes. Mr. Towns stated that in relation to this acquisition the board will be asked at today's meeting to approve the issuance of approximately $46-million in taxable bonds for the purchase of the first mortgages, subordinate loans and IRP contracts with respect to the 35 projects to be refinanced. He stated that the Governor and the legislature agreed to appropriate $25 million for AHC, $32.2 million for the Low Income Housing Trust Fund and the continued funding of all of the programs that are leveraged at HFA, including Main Street, the Rural Rental Assistance Program and the Homes for Working Families program. He stated that the currently enacted budget requires certain transfers of monies from the MIF's Project Pool Insurance Account and that each transfer requires a determination by the Agency that at the time of the transfer the reserves remaining in the Project Pool Account must be sufficient to attain and maintain the credit rating required to accomplish the purposes of the Project Pool Insurance Account and the Agency believes it is able to meet this requirement. He said that there will be more on this topic at the May board meeting. Commissioner Towns stated that the agenda, at this meeting, has many administrative items and the board will be informed of all the actions from the Governance and Audit Committees which met on Tuesday, April 9, 2012. He stated that the Agencies continue to work on all issues related to Super Storm Sandy and he thanked Matthew Nelson and his staff for their good work on the Agency's Action Plan for the initial $1.7 billion in Federal CDBG Funding for Disaster Recovery. He also noted that the Agencies have begun to coordinate the Governor's Sandy buy-out program and details will follow. Commissioner Towns stated that in early March in conjunction with the annual NCSHA legislative conference held in Washington, DC, HCR staff along with Governor Cuomo's DC office and our colleagues at NYC HPD and HDC visited with NYS elected officials in the House and Senate seeking additional CAP and tax credits to help with the Sandy rebuild. He stated that the Agencies are hopeful that a tax bill, including these requests, could be introduced later in the legislative session.

Commissioner Towns informed the Board that staff attended and participated in the New York State Association for Affordable Housing conference in Buffalo and attended the Citizens Housing Planning Council event. He stated that SONYMA loan reservations averaged $1.2 million per day in February and $1.6 million per day in March slightly lower than in 2012. He added that delinquencies at SONYMA for February were at 4.17% an increase from 3.02% in February of 2012. He stated that these rates compared very favorably to the overall delinquency for New York State which sits at 11.28% and nationally at 8.04%. He stated that the Mortgage Insurance Fund Committee has been asked to approve mortgage insurance on a $2.6 million mortgage on a CPC all affordable project in Orange County with 15 of the total 78 units set aside for those with developmental and physical disabilities. He stated that the Board will be asked to approve 185 units of AHC projects all outside of NYC totaling over $3 million. Commissioner Towns thank the staff for all the work they are performing.

Chairman Mulrow added to the Commissioners comments by stating that he agreed with the Commissioner that is has been a busy quarter and that over the last year the Board committees have streamlined how the Board works and a number of the decisions are being made by the committees which meet before the Board meetings. Chairman Mulrow stated that evidence of this increased activity will be highlighted in the reports of the committees' activities that follow.

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The next item was the report of the Audit Committees. Mr. Palozzola reported that the Audit Committees held meetings on April 9, 2013 and approved the Minutes of the January 28, 2013 meetings; adopted a resolution approving the Internal Audit's Work Plan for Fiscal Year 2014; adopted a resolution recommending the approval of Internal Audit Follow-Up of 2011 Audit Reports; approved a resolution recommending the approval of the Seventh Audit Committee's Self-Evaluation; and a review of Financial Statement Update for the First Quarter Fiscal 2013 (Third Quarter Fiscal 2013 AHC).

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The next item was the report of the Governance Committees. Mr. Palozzola reported that the Governance Committee held meetings on April 9, 2013 and approved the minutes of January 29, 2013; approved a resolution recommending approval of the Seventh Annual Evaluation by the Governance Committees; approved a resolution recommending the Board self-evaluation; and reviewed contracts for arbitrage rebate services with Hawkins, Delafield and Wood, and Bond Logistics LLC.

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The next item on the agenda was the adoption of the minutes of the 87th MBBA Directors meeting held on January 29, 2013. Mr. Palozzola reported that there were no corrections or comments from the Directors and the minutes were deemed approved.

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The next item on the agenda was a resolution approving the results of the Seventh Annual Self-Evaluation by the Audit Committee. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference.

Vice Chairman Bialo moved to adopt the resolution; Ms. Watson 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 APPROVING THE AUDIT COMMITTEES' SELF-EVALUATION

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The next item on the agenda was a resolution approving the results of the Seventh Annual Self-Evaluation by the Governance Committees. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference.

Vice Chairman Bialo moved to adopt the resolution; Ms. Watson 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 APPROVING THE GOVERNANCE COMMITTEES' SELF-EVALUATION

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The next item on the agenda was an informational item regarding a review of the Agencies 1st Quarter Procurement Report for the period commencing November 1, 2012 and ending January 31, 2013. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference.

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The next item on the agenda was an information item regarding the Financial Statement Update for the 1st Quarter of Fiscal Year 2013 and the 3rd Quarter Fiscal for 2012 for AHC. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference.

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The next item on the agenda was an information item regarding the review of 1st Quarter (2013) Investment Reports for the period ending January 31, 2013. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference.

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The next item on the agenda was an information item regarding the Administrative Budget Report as of January 31, 2013. Chairman Mulrow stated that information regarding this item was contained in the meeting materials provided which are incorporated herein by reference.

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Commissioner Towns made an announcement to the Board that Michael Skrebutenas, Interim Chief Operating Officer, would be leaving the Agencies for a private sector opportunity. Commissioner Towns stated that Mr. Skrebutenas has served as one of his key staff members and he congratulated him on his new opportunity and thanked him for his service to the Agencies. Chairman Mulrow stated that Mr. Skrebutenas has been a great resource and it is a huge loss to the Agencies.

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Chairman Mulrow asked for a motion and a second to adjourn the MBBA meeting. There being no unfinished business, Vice Chairman Bialo moved to adjourn; Ms. Watson seconded the motion, and the meeting was adjourned at 9:58 a.m.

Alejandro J. Valella, Acting Secretary